

Items of Special Interest

Department of Defense - National Aeronautics and Space Administration coordination

The conferees note that in the areas of aeronautics and space research technology development, the Department of Defense and the National Aeronautics and Space Administration (NASA) must coordinate closely in order to ensure that the nation continues its global leadership in these technologies.

The conferees believe that as NASA evaluates its future plans for aeronautics, it is essential that the Department and NASA provide for the continued availability of unique wind tunnels and other research, test, and evaluation facilities and services critical to the development of military systems. The conferees direct the Under Secretary of Defense for Acquisition, Technology and Logistics to identify and analyze aeronautics facilities currently managed by NASA that are considered by the Department to be critical to the accomplishment of defense missions and to the maintenance of U.S. leadership in aeronautics.

The conferees also endorse the Secretary of Defense's emphasis on transformational technologies. One of the more promising technologies under development is hypersonic propulsion, which when further developed will provide significantly improved operational capabilities for both manned and unmanned flight, missile defense and a single-stage-to-flight capability that could provide rapid access to space. Unfortunately, due to changing priorities within both the Air Force and NASA, funding for such efforts has been reduced to insignificant levels.

The conferees direct the Secretary of Defense to submit a report to the congressional defense committees by March 15, 2005, which details the Department's plans to provide the required funding to pursue a development program for transition of hypersonic technologies to an integrated demonstration system that validates their affordability and effectiveness to support prompt global strike and assured space access missions. The report should analyze the results and technological advances enabled by the X-43 series of programs and other efforts to develop a detailed technology roadmap and investment strategy consistent with meeting future military needs in hypersonics. The conferees believe the capabilities to be realized through a successful hypersonic development program justify the sustained and full support of the Department and NASA.

Enterprise Resource Planning for Army Combat Logistics

The Army logistics systems arm, fuel, repair, move, and

sustain combat forces. The Army's goals for modernization of its legacy logistics systems include improved sustainment of combat forces using fewer soldiers, increased readiness and operational availability, and significantly lowering cost. The Army plans to modernize its logistics systems using enterprise resource planning systems, which will provide essential information for timely decision making and accurate performance measurement. They use no custom software code and only commercial, off-the-shelf computer technology. They are also web-based with a robust telecommunications infrastructure and have been tested at thousands of sites outside the Army.

The conferees encourage the Army to leverage existing Army information technology assets and expertise to augment funds within the Global Combat Support System account to complete the blueprinting and accelerate fielding of the system, wherever feasible, to replace 20-year-old systems which are unable to fully support combat operations.

Patriot air and missile defense system

The conferees note that the Patriot air and missile defense system destroyed all nine theater ballistic missiles launched at coalition forces during Operation Iraqi Freedom (OIF) for which intercept was attempted. The conferees also note, however, that the Patriot was also involved in three "friendly fire" incidents during that conflict and that electromagnetic interference (EMI) between Patriot and other systems contributed to these incidents. Similar interference problems with the Patriot occurred during the Gulf War in 1991.

The conferees strongly support the Patriot system, note with approval that the Army has reprogrammed funding to fix the known "friendly-fire" problems associated with the Patriot, and are encouraged at the level of attention given to this problem since the OIF incidents. The conferees expect, however, that as more radars, communications systems, and other emitting systems are added to the battlefield in the future, EMI problems will continue to grow in complexity.

The conferees direct the Secretary of Defense to submit a report to the congressional defense committees by March 1, 2005 summarizing the tests, exercises, and changes to operational procedures and requirements that are planned or being implemented to prevent or reduce future EMI problems with the Patriot system. The conferees also direct the Director of Operational Test and Evaluation to include an assessment of the Department's plans to reduce EMI problems with the Patriot system in his Annual Report to Congress, required by section 139 of title 10, United States Code.

Russian-American missile defense cooperation

The conferees understand that the Secretary of Defense desires to explore opportunities for missile defense cooperative programs with the Russian Federation that build upon the experience gained in the Russian-American Observation Satellite (RAMOS) program that was terminated earlier this year. The conferees recognize the potential importance of such cooperative efforts, both to the technical success of the U.S. missile defense effort and to the establishment of a cooperative strategic relationship with the Russian Federation.

The conferees urge the Secretary to engage in serious negotiations with the Russian Federation as soon as possible on joint missile defense programs. The conferees believe that previous efforts under the RAMOS program, including Russian Presidential and Government decrees and the U.S.-Russian Federation technical agreement, should be leveraged to help ensure the successful initiation of such efforts.

Legislative Provisions Adopted

Subtitle A-Authorization of Appropriations

Authorization of appropriations (sec. 201)

The House bill contained a provision (sec. 201) that would authorize the recommended fiscal year 2005 funding levels for the Research, Development, Test and Evaluation accounts for the Army, Navy, Marine Corps, Air Force, Defense-wide activities and the Director of Operational Test and Evaluation.

The Senate amendment contained a similar provision (sec. 201).

The conference agreement includes this provision.

Amount for defense science and technology (sec. 202)

The budget request included \$10,550.3 million for Department of Defense science and technology (S&T) programs.

The House bill would authorize \$11,067.7 million for defense S&T programs.

The Senate amendment would authorize \$11,012.4 million for defense S&T programs.

The conferees agree to authorize \$11,191.6 million for S&T programs, an increase of \$641.3 million over the request. The increase provided by the conferees brings the Department closer to 3 percent of total spending, the goal stated by the Department and outside experts as the desired investment for these programs. In recognition of the key role played by S&T in maintaining the best equipped, best protected fighting force in the world, the conferees have targeted increases to project areas which improve

current capabilities, while focusing on basic research and long-term projects that ensure future innovation.

The conferees note that current operations in Iraq, Afghanistan, and elsewhere continue to demonstrate how technologies transitioned from the Department's S&T programs are enhancing the combat effectiveness of warfighters, reducing casualties, and improving the efficiency and flexibility of our military forces. The conferees commend the Department for mobilizing its technical capabilities in the science and technology community to support these current global operations.

The conferees expect to see an increased commitment by the Department to robustly fund S&T in the fiscal year 2006 budget, along with an appropriate balance within the accounts that acknowledges the importance of long-term research in an era of immediate and pressing needs.

Conferees also urge continued attention to a key component of ensuring the U.S. military's technological edge - development, recruitment and retention of skilled scientists and engineers.

Subtitle B-Program Requirements, Restrictions, and Limitations

Future Combat Systems program strategy (sec. 211)

The House bill contained a provision (sec. 211) that would direct the Secretary of the Army to establish and implement a program strategy for the Future Combat Systems (FCS) acquisition program. The provision limits authorization of appropriations for FCS in fiscal year 2005 to \$2.2 billion until the Secretary of the Army certifies that elements of the program strategy includes certain technical and performance criteria before production facilitization and long lead items are placed on contract. The provision also requires the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) to submit to the Congress: (1) an independent program cost estimate; (2) a report, prepared by an independent panel, on the maturity levels of critical technologies; (3) a report on the status of the network and command, control, communications, computers, intelligence, surveillance, and reconnaissance components; and (4) key performance parameters, prior to the Milestone B update required by the FCS acquisition decision memorandum.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that limits the authorization of appropriations for FCS in fiscal year 2005 to \$2.2 billion until the Secretary of the Army certifies that elements of the program strategy includes certain technical and performance criteria before production facilitization and long lead items are placed on contract. The amendment requires the USD(AT&L) to submit to Congress: (1) a program cost estimate; (2)

a report, prepared by an independent panel, on the maturity levels of critical technologies; (3) a report on the status of the network and command, control, communications, computers, intelligence, surveillance, and reconnaissance components; and (4) key performance parameters, prior to the Milestone B update required by the FCS acquisition decision memorandum. The amendment also requires the USD(AT&L) submit to Congress an independent cost estimate of the FCS program not later than March 1, 2005.

The conferees continue to support FCS and believe that the Army has made a sound decision to restructure the FCS program. With this restructure, the Army will reduce FCS program risk while providing increased capabilities for the current force.

Collaborative program for research and development of vacuum electronics technologies (sec. 212)

The House bill contained a provision (sec. 212) that would require the Secretary of Defense to establish a program for research and development in advanced vacuum electronics technology to meet Department of Defense requirements.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Director, Defense Research and Engineering to submit a report on establishment of a collaborative vacuum electronics research and development program that: identifies a department lead to carry out the effort; assesses the role of investing in vacuum electronics technologies as part of the overall strategy of the Department's investments to meet electronic technology needs; provides a management plan and schedule for the program; identifies required funding and a list of program capability goals and objectives; outlines the role of basic and applied research in support of the program; and assesses global capabilities in the technology area.

The conferees note that vacuum electronics are utilized in a variety of the Department's systems, particularly many legacy systems. While there is a trend toward solid state electronics in most defense systems, the Department must ensure that systems which depend on the use of vacuum electronics will have access to the most advanced technologies available.

Annual Comptroller General report on Joint Strike Fighter program (sec. 213)

The House bill contained a provision (sec. 213) that would require the Comptroller General to conduct an annual review of the Joint Strike Fighter (JSF) aircraft program, and submit a report of that review to Congress by March 15 of each year from fiscal year 2005 through fiscal year 2009.

Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the annual report to be submitted to the congressional defense committees.

The conferees are aware of the recently conducted study by a senior independent review team on the JSF program, and believe that the first report submitted by March 15, 2005 should place emphasis on the degree to which the program office and contractor have incorporated the recommendations of that team.

Amounts for U.S. Joint Forces Command to be derived only from Defense-wide accounts (sec. 214)

The House bill contained a provision (sec. 214) that would transfer funding for the joint warfare experimentation programs of U.S. Joint Forces Command (JFCOM) from Research, Development, Test and Evaluation (RDT&E), Navy accounts to an RDT&E, Defense-wide account.

The Senate amendment contained a similar provision (sec. 216).

The Senate recedes with an amendment that would require, beginning in fiscal year 2007, all RDT&E funds for JFCOM be derived from Defense-wide RDT&E funds, and that this be clearly reflected in the budget request.

The conferees note that this provision does not take effect until fiscal year 2007. The conferees direct, however, that the amounts requested for JFCOM joint warfare experimentation programs be separately identified in the fiscal year 2006 budget request, and distinguished within any executive agent account in which they are included. The conferees also note that JFCOM is responsible for a number of critical efforts directly related to increasing the joint warfighting capability of the military services, and that funding those efforts through executive agents does not provide Congress with clear visibility into the amounts dedicated to those key joint initiatives. The practice of requesting funding through executive agents also distorts the amount of funding for military service activities that carry funding for joint initiatives. The conferees have strong interest not only in joint experimentation, which is addressed by this provision, but in JFCOM joint training initiatives as well. Therefore the conferees direct the Department of Defense, when submitting its fiscal year 2006 budget request, to clearly identify funding for joint training activities in Defense-wide and executive agent accounts to enhance congressional visibility into funding dedicated to joint training in future budgets.

The conferees further note the unique, important role that JFCOM plays in developing doctrine and capabilities for other combatant commanders, and in developing and monitoring joint training standards for elements of the Armed Forces and coalition partners. The conferees believe that the Department should consider the establishment of a major force program or similar

consolidation of related budget activities for joint experimentation, procurement, and training activities.

Global Positioning System III satellite (sec. 215)

The Senate amendment contained a provision (sec. 212) that would prohibit the obligation or expenditure of any more than 80 percent of the funds authorized to be appropriated for the Global Positioning System III (GPS) until the Secretary of Defense completes an analysis of alternatives and submits a report on that analysis to the congressional defense committees.

The House bill contained no similar provision.

The House recedes.

The conferees expect the analysis of alternatives to include an assessment of architectures that take advantage of smaller, lighter weight, and potentially less expensive GPS satellites.

Initiation of concept demonstration of Global Hawk high altitude endurance unmanned aerial vehicle (sec. 216)

The Senate amendment contained a provision (sec. 213) that would amend section 221(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398) by changing the date by which the Secretary of Defense is to initiate the demonstration of the Global Hawk high altitude endurance unmanned aerial vehicle from March 1, 2001 to March 1, 2005.

The House bill contained no similar provision.

The House recedes.

Joint unmanned combat air systems program (sec. 217)

The Senate amendment contained a provision (sec. 214) that would require the Secretary of Defense to establish an executive committee, which would provide guidance and recommendations for the management of the joint unmanned combat air systems program to the Director of the Defense Advanced Research Projects Agency (DARPA) for as long as the program is managed by DARPA.

The House bill contained no similar provision.

The House recedes.

Subtitle C-Missile Defense Programs

Fielding of ballistic missile defense capabilities (sec. 231)

The House bill contained a provision (sec. 221) that would authorize the Department of Defense to use Research, Development, Test and Evaluation funds appropriated in fiscal years 2005 and 2006 for the Missile Defense Agency to develop and field

ballistic missile defense capabilities.

The Senate amendment contained a similar provision (sec. 231) that would authorize the use of Research, Development, Test and Evaluation funds appropriated in fiscal year 2005 for the development and fielding of an initial set of missile defense capabilities.

The Senate recesses.

Integration of Patriot Advanced Capability-3 and Medium Extended Air Defense System into ballistic missile defense system (sec. 232)

The Senate amendment contained a provision (sec. 232) that would require the Secretary of the Army to obtain approval of the Director of the Missile Defense Agency (MDA) prior to making changes to system level specifications or establishing new system level specifications for the combined Patriot Advanced Capability-3 (PAC-3) and Medium Extended Air Defense System (MEADS) program. It would also require such approval prior to making any significant change in procurement quantities or the baseline schedule for the PAC-3/MEADS combined program.

The House bill contained no similar provision.

The House recesses with an amendment that would define the PAC-3/MEADS air and missile defense program as part of the integrated ballistic missile defense system (BMDS), and require that the Director of MDA, in consultation with the Secretary of the Army (acting through the Assistant Secretary of the Army for Acquisition, Logistics and Technology), ensure that any configuration change to the PAC-3/MEADS program is subject to MDA's configuration control processes. The amendment would also require that the Secretary of the Army (acting through the Assistant Secretary of the Army for Acquisition, Logistics and Technology) make significant changes to the baseline technical specifications and schedule for the PAC-3/MEADS program only with the concurrence of the Director of the Missile Defense Agency. The amendment would further require the Secretary of Defense to establish procedures to determine the effect of significant changes proposed by the Secretary of the Army to planned PAC-3/MEADS procurement quantities on BMDS capabilities; to provide for reviews of the proposed procurement changes by all relevant Department of Defense commands and agencies; to obtain the concurrence or nonconcurrence of those commands and agencies with the proposed procurement changes; and to submit a report to the congressional defense committees on the procedures the Secretary of Defense establishes.

Comptroller General assessments of ballistic missile defense programs (sec. 233)

The Senate amendment contained a provision (sec. 233) that

would require assessments by the Comptroller General of the extent to which missile defense programs met their cost, schedule, test, and performance goals for the years 2004 through 2009. The provision also requires the Comptroller General to submit reports on those assessments to the congressional defense committees.

The House bill contained no similar provision.

The House recedes with an amendment that would require assessments by the Comptroller General of the extent to which missile defense programs met their cost, schedule, test, and performance goals for the years 2004 through 2006.

Baselines and operational test and evaluation for ballistic missile defense system (sec. 234)

The Senate amendment contained a provision (sec. 234) that would require: 1) the Secretary of Defense, in consultation with the Director of Operational Test and Evaluation (DOT&E), to prepare appropriate criteria for operationally realistic testing of the ballistic missile defense system (BMDS); 2) the conduct of a test consistent with those criteria not later than October 1, 2005; 3) the conduct of tests consistent with those criteria for each block configuration of the BMDS; 4) evaluation of those tests by the DOT&E; 5) the establishment of baselines for each block configuration of the BMDS; and 6) the Director of the Missile Defense Agency to report variances in program performance from those baselines to Congress and the reasons for any changes made to the baselines.

The House bill contained no similar provision.

The House recedes.

Subtitle D-Other Matters

Annual report on submarine technology insertion (sec. 241)

The Senate amendment contained a provision (sec. 241) that would require the Secretary of Defense to submit an annual report on available or potentially available technologies for insertion into submarines for each of fiscal years 2006, 2007, 2008, and 2009.

The House bill contained no similar provision.

The House recedes.

Sense of the Congress regarding funding of the Advanced Shipbuilding Enterprise under the National Shipbuilding Research Program of the Navy (sec. 242)

The Senate amendment contained a provision (sec. 242) that would express the sense of the Senate in support of continued

funding for the Advanced Shipbuilding Enterprise under the National Shipbuilding Research Program of the Navy, citing it as a method for exploring and collaborating on innovation in shipbuilding and ship repair that collectively benefits all components of the industry.

The House bill contained no similar provision.

The House recesses with an amendment that would change the provision to a sense of the Congress.

Legislative Provisions Not Adopted

Program increases

The House bill contained a provision (sec. 203) that would authorize an increase of \$5.0 million in PE 25633N for Research, Development, Test and Evaluation, Navy, for nano composite hard-coat for aircraft canopies, and an increase of \$5.0 million in PE 27443F for Research, Development, Test and Evaluation, Air Force, for command and control service-level management.

The Senate amendment contained no similar provision.

The House recesses.

The conferees agree to authorize an increase of \$2.3 million in PE 25633N for nano composite hard-coat for aircraft canopies, and an increase of \$3.8 million in PE 27443F for command and control service-level management. *DD(X)-class destroyer program*

The Senate amendment contained a provision (sec. 211) that would authorize the Secretary of the Navy to fund the second destroyer of the DD(X)-class with Research, Development, Test and Evaluation, Navy funds, and would direct that \$99.4 million be authorized for detail design of the second ship.

The House bill contained no similar provision.

The Senate recesses.

The conferees agree to authorize a total of \$1,471.5 million in PE 64300N for the DD(X) destroyer, including \$84.4 million to begin detail design of the second ship of the class.

The conferees have strongly supported both the DD(X) program and the Navy's acquisition strategy, which uses the construction and test of engineering development models (EDMs) to mitigate technical risk.

The conferees are aware of the assessment by the Government Accountability Office (GAO) of the maturity of 12 technologies critical to DD(X), as the program entered the system development and demonstration (SDD) phase, and the GAO's further assessment that DD(X) technology maturity and design stability will not be demonstrated before the Milestone B decision scheduled for March 2005. Many of the tests to demonstrate technical maturity will occur around the time of the critical design review (CDR) late in fiscal year 2005. Program officials acknowledge the risks

associated with the advanced technologies, but the conferees believe that taking such risks is warranted to ensure that the DD(X) technologies are not obsolete, and that the Navy has taken adequate steps to mitigate the risks before ship construction begins. These steps include the identification of fall back options if new technologies are not available.

In particular, the conferees note the concerns expressed in the House report (H. Rept 108-491) regarding the schedule for land-based testing of the integrated power system and advanced gun system EDMs. These two system EDMs are not scheduled to complete land-based testing until late in fiscal year 2005, coincident with the DD(X) CDR.

The conferees agree that the integrated power system and advanced gun system are key elements which drive much of the DD(X) design, and that land-based testing of these systems should be essentially complete prior to the DD(X) CDR. The conferees direct the Secretary of the Navy, in coordination with the Under Secretary of Defense for Acquisition, Technology and Logistics, to report to the congressional defense committees following completion of the DD(X) CDR. That report should include the results of the CDR and an assessment of the readiness of the program to proceed beyond the SDD phase of the program.

The conferees share the concerns raised in the Senate Report (S. Rept. 108-260) regarding maintaining the viability of a competitive industrial base for the design and construction of Navy surface combatants. As noted in that report, the Navy had originally planned to compete the construction phase of the DD(X), but made a decision to award that contract on a sole-source basis to the shipyard with lead design responsibility. The conferees expect the Navy to take all actions necessary to ensure the viability of the second shipyard in order to maintain a healthy and competitive industrial base for surface combatants.

Joint Strike Fighter aircraft program

The Senate amendment contained a provision (sec. 215) that would require the Secretary of Defense to have the Defense Science Board (DSB) conduct a study of the Joint Strike Fighter (JSF) aircraft program, which would be delivered to the congressional defense committees with the budget request for fiscal year 2006. This study would focus primarily on the issue of excess weight in the aircraft, the potential performance penalties that would be incurred, and the technical approaches to solve these issues.

The House bill amendment contained no similar provision.

The Senate recedes.

The conferees have been made aware of the results of a recently completed study by a senior-level independent review team which reviewed almost identical areas of the JSF program, and believe another study by the DSB would be redundant at this

time.

Space based radar

The House bill contained a provision (sec. 215) that would prohibit the Department of Defense from proceeding to Milestone B in the Space Based Radar program until 30 days after meeting a requirement to provide the congressional defense committees and intelligence committees a report that includes independent cost and technology maturity and readiness assessments and the system design concept for the program.

The Senate amendment contained no similar provision.

The House recedes.

Mark-54 torpedo product improvement program

The House bill contained a provision (sec. 216) that would make available \$2.0 million of the funds in PE 64610N for Research, Development, Test, and Evaluation, Navy for the Mark-54 torpedo product improvement program.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree to authorize an increase of \$1.5 million in PE 64610N for the Mark-54 torpedo product improvement program.

Infrastructure system security engineering development for the Navy

The Senate amendment contained a provision (sec. 217) that would authorize an increase of \$3.0 million in PE 26313M for Research, Development, Test and Evaluation, Navy, for infrastructure system security engineering development.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$1.5 million in PE 26313M for infrastructure system security engineering at the Critical Infrastructure Protection Center.

Neurotoxin Mitigation Research

The Senate amendment contained a provision (sec. 218) that would authorize an increase of \$2.0 million in PE 62384BP for Research, Development, Test and Evaluation, Defense-wide activities for neurotoxin mitigation research.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$1.0 million in PE 62384BP for neurotoxin mitigation research.

Spiral development of Joint Threat Warning System maritime variants

The Senate amendment contained a provision (sec. 219) that would authorize an increase of \$2.0 million in PE 116405BB for the development of maritime variants for the Joint Threat Warning System (JTWS), to be offset by a decrease of \$2.0 million of the amount authorized to be appropriated for military personnel (sec. 421), with the amount of the reduction to be derived from excess amounts provided for military personnel of the Air Force.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$2.0 million in PE116405BB for spiral development of maritime variants for JTWS.

Advanced ferrite antenna

The Senate amendment contained a provision (sec. 220) that would authorize an increase of \$3.0 million in PE 26313M for Research, Development, Test, and Evaluation, Navy, for advanced ferrite antenna development.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$2.1 million in PE 26313M for advanced ferrite antenna development.

Prototype littoral array system for operating submarines

The Senate amendment contained a provision (sec. 221) that would authorize an increase of \$5.0 million in PE 64503N for Research, Development, Test and Evaluation, Navy for the design, development, and testing of a prototype littoral array system for operating submarines.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$3.3 million in PE 64503N for the design, development, and testing of a prototype littoral array system for operating submarines.

Advanced manufacturing technologies and radiation casualty research

The Senate amendment contained a provision (sec. 222) that would authorize an increase of \$2.0 million in PE 78011S for advanced manufacturing technologies and \$3.0 million in PE 63002D8Z for radiation casualty research.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$4.5 million

in PE 78011S for advanced manufacturing technologies.

Research and development for improved prevention of leishmaniasis

The Senate amendment contained a provision (sec. 328) that would authorize an increase of \$0.5 million in the Defense Health Program and \$4.5 million in PE 64807A for research and development for improved prevention of leishmaniasis.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of \$0.5 million in the Defense Health Program, \$1.4 million in PE 63002A, and \$4.5 million in PE 64807A for research and development for the prevention and treatment of leishmaniasis.

TITLE III-OPERATION AND MAINTENANCE

Operation and Maintenance Overview

The budget request included an authorization of \$121,874.6 million in Operation and Maintenance, \$20,109.6 million in Other Programs, and \$2,955.1 million in Working Capital Fund accounts for the Department for Defense.

The House bill would authorize \$119,758.9 million in Operation and Maintenance, \$20,229.8 million in Other Programs, and \$2,767.1 million in Working Capital Fund accounts.

The Senate amendment would authorize \$120,522.3 million in Operation and Maintenance, \$20,529.0 million in Other Programs, and \$2,894.9 million in Working Capital Fund accounts.

The conferees recommend an authorization of \$121,520.2 million in Operation and Maintenance, \$20,086.9 million in Other Programs, and \$2,896.1 million in Working Capital Fund accounts. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2005

(Dollars in Thousands)

	<u>FY2005</u>	<u>House</u>	<u>Senate</u>	<u>Conference</u>	<u>Conference</u>
	<u>Request</u>	<u>Authorized</u>	<u>Authorized</u>	<u>Change</u>	<u>Authorized</u>
Title III -- OPERATION AND MAINTENANCE & OTHER PROGRAMS					
OPERATION AND MAINTENANCE					
Operation and Maintenance, Army	26,133,411	25,838,611	26,313,611	-35,000	26,098,411
Operation and Maintenance, Navy	29,789,190	29,523,490	29,702,790	-106,600	29,682,590
Operation and Maintenance, MC	3,632,115	3,637,615	3,682,727	16,000	3,648,115
Operation and Maintenance, AF	28,471,260	27,068,566	27,423,560	-172,600	28,298,660
Operation and Maintenance, Defense-wide	17,494,076	17,317,406	17,458,576	-168,800	17,325,276
Operation and Maintenance, Army Reserve	2,008,128	2,003,728	1,925,728		2,008,128
Operation and Maintenance, Navy Reserve	1,240,038	1,240,038	1,240,038		1,240,038
Operation and Maintenance, Marine Corps Reserve	188,696	188,696	197,496		188,696
Operation and Maintenance, Air Force Reserve	2,239,790	2,226,790	2,154,790		2,239,790
Operation and Maintenance, Army National Guard	4,440,686	4,425,686	4,227,236	12,100	4,452,786
Operation and Maintenance, Air National Guard	4,422,838	4,448,938	4,366,738	80,500	4,503,338
Transfer Accounts	1,305,336	1,305,336	1,349,986	40,000	1,345,336
Miscellaneous Appropriations	509,025	534,025	479,025	-20,000	489,025
SUBTOTAL OPERATION AND MAINTENANCE	121,874,589	119,758,925	120,522,301	-354,400	121,520,189

NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2005

(Dollars in Thousands)

OTHER PROGRAMS

DEFENSE HEALTH PROGRAM

Defense Health Program, O&M	17,203,369	17,374,544	17,555,169	16,475	17,219,844
Reserve health benefits			[400,000]		
Retail pharmacy benefit			[-44,000]		
Walter Reed amputee care			[7,800]	[7,800]	
Traumatic brain injury			[2,000]		
Financial information systems			[-14,000]		
Information Technology Reduction		[-50,000]			
Earlier TRICARE Eligibility for RC Families and Members		[113,000]			
Waiver of TRICARE Deductibles for RC Families		[2,000]			
Protection against Balance Billing for Mobilized Reservists		[500]			
Enrollment of Certain Young Children in Dental Plan		[500]			
Improved Transition Assistance Program		[170,000]			
TRICARE Coverage of Certain Ready Reservists		[30,000]			
Additional TRICARE Prime Remote Beneficiaries		[1,000]			
Cooperative Education for Sexual Health Decision Making		[175]		[175]	
Sub-Acute Care Transition Program		[500]			
Marshall Islands Diabetes Program		[2,000]			
Landstuhl Medical Center		[10,000]			
DOD Cooperative Health Care Program		[5,000]		[8,500]	
GAO Estimate Annual DHP Unobligated Funds		[-113,500]			

NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2005

(Dollars in Thousands)

	<u>FY2005</u> <u>Request</u>	<u>House</u> <u>Authorized</u>	<u>Senate</u> <u>Authorized</u>	<u>Conference</u> <u>Change</u>	<u>Conference</u> <u>Authorized</u>
Defense Health Program, RDTE	72,407	72,407	72,907	500	72,907
Leishmaniasis diagnostics laboratory (S. Amdt 3329)			[500]	[500]	
Defense Health Program, Procurement	364,635	364,635	364,635		364,635
Subtotal Defense Health Program	17,640,411	17,811,586	17,992,711	16,975	17,657,386
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES					
Demand Reduction	122,109	122,109	122,109		122,109
Domestic Support	207,998	207,998	207,998		207,998
Intelligence and Technology	111,085	111,085	111,085	1,750	112,835
Intelligence, surveillance, reconnaissance and tanker support				[-1,000]	
Tethered Aerostat Radar System		[-2,000]		[-3,500]	
Southwest border fence		[-5,000]		[5,000]	
Northern Command counternarcotics support		[2,000]		[1,250]	
CENTCOM, PACOM, and EUCOM AGR Support	40,840	40,840	40,840		40,840
SOUTHCOM AGR Support	370,665	370,665	370,665	-1,500	369,165
LEA support/OCONUS ops support				[-1,500]	
Subtotal Drug Interdiction and Counter-Drug Activities	852,697	852,697	852,697	250	852,947
OFFICE OF THE INSPECTOR GENERAL					
Office of the Inspector General, O&M	242,362	191,362	162,362	-40,000	202,362
Mid Range Financial Improvement Program / Audits		[-51,000]	[-80,000]	[-40,000]	
Office of the Inspector General, RDTE	100	100	100		100
Office of the Inspector General, Procurement	2,100	2,100	2,100		2,100
Subtotal Office of the Inspection General	244,562	193,562	164,562	-40,000	204,562

NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2005

(Dollars in Thousands)

	<u>FY2005</u> <u>Request</u>	<u>House</u> <u>Authorized</u>	<u>Senate</u> <u>Authorized</u>	<u>Conference</u> <u>Change</u>	<u>Conference</u> <u>Authorized</u>
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION					
Chemical Agents and Munitions Destruction, O&M	1,138,801	1,138,801	1,138,801	-50,000	1,088,801
Unobligated balances				[-50,000]	
Chemical Agents and Munitions Destruction, RDTE	154,209	154,209	301,209	50,000	204,209
Chemical agent disposal facility-Pueblo, CO			[147,000]	[50,000]	
Chemical Agents and Munitions Destruction, Procurement	78,980	78,980	78,980		78,980
Subtotal Chemical Agents and Munitions Destruction	1,371,990	1,371,990	1,518,990		1,371,990
SUBTOTAL OTHER PROGRAMS	20,109,660	20,229,835	20,528,960	-22,775	20,086,885
REVOLVING AND MANAGEMENT FUNDS					
Defense Working Capital Funds	510,886	372,886	450,686	-59,000	451,886
Financial information systems			[-60,200]		
Army - Industrial mobilization capacity		[-67,000]			
Navy - Aviation spare engine procurement		[-59,000]		[-59,000]	
Air Force - Perishable medical and derial readiness material		[-12,000]			
Defense Working Capital Funds - DeCA	1,175,000	1,175,000	1,175,000		1,175,000
National Defense Sealift Fund	1,269,252	1,219,252	1,269,252		1,269,252
Program decrease		[-50,000]			
SUBTOTAL REVOLVING AND MANAGEMENT FUNDS	2,955,138	2,767,138	2,894,938	-59,000	2,896,138
TOTAL O&M AND OTHER PROGRAMS	144,939,387	142,755,898	143,946,199	-436,175	144,503,212

Title III - Operation and Maintenance
(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
Operation and Maintenance, Army						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
1	DIVISIONS	1,520,706	1,520,706	1,520,706		1,520,706
2	CORPS COMBAT FORCES	472,692	472,692	472,692		472,692
3	CORPS SUPPORT FORCES	445,344	445,344	445,344		445,344
4	ECHOLON ABOVE CORPS SUPPORT FORCES	515,730	496,730	515,730	-10,000	505,730
	Unjustified growth in modernized equipment support costs		[-10,000]		[-10,000]	
	Network Enterprise Technology Command		[-9,000]			
5	LAND FORCES OPERATIONS SUPPORT	1,197,822	1,187,822	1,198,822	-4,000	1,193,822
	Forward osmosis water filtration system			[1,000]	[1,000]	
	Unjustified growth in combat training centers					
	Unjustified cost growth for rotational training		[-10,000]		[-5,000]	
LAND FORCES READINESS						
6	FORCE READINESS OPERATIONS SUPPORT	1,787,147	1,793,647	2,344,147		1,787,147
	Rapid fielding initiative (RFI)			[262,000]		
	Interceptor body armor			[295,000]		
	Hydration on the move					
	Vehicle batteries		[3,000]			
	Military Skills Engagement		[2,500]			
			[1,000]			

Title III - Operation and Maintenance
(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005</u> <u>Request</u>	<u>House</u> <u>Authorized</u>	<u>Senate</u> <u>Authorized</u>	<u>Conference</u> <u>Change</u>	<u>Conference</u> <u>Authorized</u>
7	LAND FORCES SYSTEMS READINESS Corrosion prevention and control Tactical exploitation system	537,567	533,567 [-4,000]	545,567 [8,000]	-4,000	533,567
8	LAND FORCES DEPOT MAINTENANCE M1A1 transmission maintenance	1,031,105	1,031,105	1,053,005 [21,900]	[4,000] 12,000 [12,000]	1,043,105
9	<u>LAND FORCES READINESS SUPPORT</u> BASE OPERATIONS SUPPORT Visual information support Installation Management Activity DCSIM and DOIM staff operations Unjustified growth in base operating support	5,609,973	5,584,773 [-13,000] [-10,000] [-2,200]	5,609,973	-14,000	5,595,973
10	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,956,128	1,956,128	1,956,128		1,956,128
11	MANAGEMENT & OPERATIONAL HEADQUARTERS	251,474	251,474	251,474		251,474
12	UNIFIED COMMANDS	94,850	94,850	94,850		94,850
13	MISCELLANEOUS ACTIVITIES	1,057,943	1,057,943	1,057,943		1,057,943
	TOTAL, BA 01: OPERATING FORCES	16,478,481	16,426,781	17,066,381	-20,000	16,458,481
	<u>BUDGET ACTIVITY 02: MOBILIZATION</u>					

Title III - Operation and Maintenance
(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
	<u>MOBILITY OPERATIONS</u>					
14	STRATEGIC MOBILIZATION	327,345	327,345	331,345	2,800	330,145
	Specialty containers			[4,000]	[2,800]	
15	ARMY PREPOSITIONED STOCKS	126,163	126,163	126,163		126,163
16	INDUSTRIAL PREPAREDNESS	8,491	8,491	8,491		8,491
17	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					
	TOTAL, BA 02: MOBILIZATION	461,999	461,999	465,999	2,800	464,799
	<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>					
	<u>ACCESSION TRAINING</u>					
18	OFFICER ACQUISITION	107,554	107,554	107,554		107,554
19	RECRUIT TRAINING	20,766	20,766	20,766		20,766
20	ONE STATION UNIT TRAINING	41,961	41,961	41,961		41,961
21	SENIOR RESERVE OFFICERS' TRAINING CORPS	234,308	234,308	234,308		228,308
	Unjustified growth in ROTC cadre and support costs				-6,000	
22	BASE OPERATIONS SUPPORT				[-6,000]	
23	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2005 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BASIC SKILL/ADVANCE TRAINING					
24	SPECIALIZED SKILL TRAINING Army Defense Language Institute (SCOLA) Army Defense Language Institute (SCOLA) (S. Amdt 3241)	506,557	509,557 [3,000]	510,157 [5,600] [-2,000]	3,000 [3,000]	509,557
25	FLIGHT TRAINING	575,406	575,406	575,406		575,406
26	PROFESSIONAL DEVELOPMENT EDUCATION	102,832	102,832	102,832		102,832
27	TRAINING SUPPORT Unjustified growth in training support	618,519	603,519 [-15,000]	618,519	-20,000 [-20,000]	598,519
28	BASE OPERATIONS SUPPORT					
29	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					
	RECRUITING/OTHER TRAINING					
30	RECRUITING AND ADVERTISING Recruiting Information Support System MEPCOM Management Information Reporting System	461,157	447,157 [-4,000] [-10,000]	461,157		461,157
31	EXAMINING	131,206	131,206	131,206		131,206
32	OFF-DUTY AND VOLUNTARY EDUCATION	296,311	296,311	296,311		296,311
33	CIVILIAN EDUCATION AND TRAINING	111,003	111,003	111,003		111,003
34	JUNIOR RESERVE OFFICERS' TRAINING CORPS	137,331	137,331	137,331		137,331
35	BASE OPERATIONS SUPPORT					
	TOTAL, BA 03: TRAINING AND RECRUITING	3,344,911	3,318,911	3,348,511	-23,000	3,321,911

Title III - Operation and Maintenance
(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>						
<u>SECURITY PROGRAMS</u>						
36	SECURITY PROGRAMS	883,510	883,510	883,510		883,510
<u>LOGISTICS OPERATIONS</u>						
37	SERVICEWIDE TRANSPORTATION	570,923	570,923	570,923		570,923
38	CENTRAL SUPPLY ACTIVITIES	490,261	490,261	491,261	1,000	491,261
	Management training			[1,000]	[1,000]	
39	LOGISTICS SUPPORT ACTIVITIES	439,466	439,466	440,866		439,466
	Radio frequency identification (RFID)			[1,400]		
40	AMMUNITION MANAGEMENT	356,607	356,607	356,607		356,607
<u>SERVICEWIDE SUPPORT</u>						
41	ADMINISTRATION	702,719	683,219	702,719		702,719
	Unjustified growth in headquarters management		[-19,500]			

Title III - Operation and Maintenance (Dollars in Thousands)

Line	Program Title	FY2005 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
42	SERVICEWIDE COMMUNICATIONS	610,866	547,566	610,866		610,866
	Personnel transformation		[-13,000]			
	Army Knowledge enterprise architecture		[-4,000]			
	Management headquarters information management		[-13,000]			
	Defense Civilian Personnel Data System - sustainment		[-2,200]			
	Logistics Modernization Program		[-2,700]			
	Logistic post production software support		[-3,500]			
	Army Personnel Electronic Records Management System		[-7,000]			
	Army Human Resources Command core automation support		[-20,000]			
	Information Technology Agency		[-12,400]			
	Training instrumentation for air and missile defense units		[5,000]			
	National Guard's Enterprise Resource Planning Program		[3,500]			
	National Guard's nationwide dedicated fiber optic network		[6,000]			
43	MANPOWER MANAGEMENT	267,365	267,365	267,365		267,365
	Excessive growth in civilian personnel operations					
44	OTHER PERSONNEL SUPPORT	191,686	191,686	191,686		191,686
45	OTHER SERVICE SUPPORT	848,391	848,391	848,391		848,391
46	ARMY CLAIMS	115,453	115,453	115,453		115,453
47	REAL ESTATE MANAGEMENT	60,633	60,633	60,633		60,633
48	BASE OPERATIONS SUPPORT					
49	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					
50	COMMISSARY OPERATIONS					

Title III - Operation and Maintenance
(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
	SUPPORT OF OTHER NATIONS					
51	SUPPORT OF NATO OPERATIONS	250,026	250,026	250,026		250,026
52	MISC. SUPPORT OF OTHER NATIONS	60,114	60,114	60,114		60,114
53	EXPANSION OF NATO					
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	5,848,020	5,765,220	5,850,420	1,000	5,849,020
	Civilian personnel underexecution		-82,000	-81,900		
	Working Capital Fund excess balances			-250,000		
	Working Capital Fund excess carryover			-100,000		
	WMD-CSTs			4,200	4,200	4,200
	Excessive unobligated balances		-52,300			
	Family Readiness Program (S. Amdt 3234)			10,000		
	Total Operation and Maintenance Army	26,133,411	25,838,611	26,313,611	-35,000	26,098,411

Title III - Operation and Maintenance (Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
	Operation and Maintenance, Navy					
	<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>					
	<u>AIR OPERATIONS</u>					
1	MISSION AND OTHER FLIGHT OPERATIONS	3,002,769	3,002,769	3,002,769		3,002,769
2	FLEET AIR TRAINING	1,066,452	1,066,452	1,066,452		1,066,452
3	INTERMEDIATE MAINTENANCE	66,565	66,565	66,565		66,565
4	AIR OPERATIONS AND SAFETY SUPPORT	111,146	111,146	111,146		111,146
5	AIR SYSTEMS SUPPORT	498,508	498,508	498,508		498,508
	Unjustified growth for technical publications		[-25,000]		-23,000	475,508
	Navy air logistics data analysis		[-15,000]		[-8,000]	
6	AIRCRAFT DEPOT MAINTENANCE	995,596	980,096	995,596	-5,000	990,596
	Navy Converged Enterprise Resource Planning Program		[-15,500]		[-5,000]	
7	AIRCRAFT DEPOT OPERATIONS SUPPORT	67,980	67,980	67,980		67,980
	<u>SHIP OPERATIONS</u>					
8	MISSION AND OTHER SHIP OPERATIONS	2,604,963	2,589,963	2,604,963		2,604,963
	Fleet response plan efficiencies		[-15,000]			
9	SHIP OPERATIONAL SUPPORT AND TRAINING	622,119	622,119	624,119		622,119
	NULKA decoy cartridge			[2,000]		
10	INTERMEDIATE MAINTENANCE					

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<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
11	SHIP DEPOT MAINTENANCE	3,910,439	3,914,439	3,980,439	14,300	3,924,739
	Ship depot maintenance			[70,000]	[11,300]	
	Stainless steel sanitary spaces		[4,000]		[3,000]	
12	SHIP DEPOT OPERATIONS SUPPORT	1,113,910	1,113,910	1,113,910	-43,100	1,070,810
	Cruiser conversion				[-43,100]	
<u>COMBAT OPERATIONS/SUPPORT</u>						
13	COMBAT COMMUNICATIONS	379,929	379,929	380,929	1,000	380,929
	Manufacturing Technical Assistance and Production Program			[1,000]	[1,000]	
14	ELECTRONIC WARFARE	16,946	16,946	16,946		16,946
15	SPACE SYSTEMS & SURVEILLANCE	136,231	136,231	136,231		136,231
16	WARFARE TACTICS	266,032	266,032	266,032		266,032
17	OPERATIONAL METEOROLOGY & OCEANOGRAPHY	256,003	256,003	256,003		256,003
18	COMBAT SUPPORT FORCES	1,362,179	1,322,179	1,362,179	-15,000	1,347,179
	Unjustified growth for JFCOM and PACOM		[-40,000]			
	Excessive growth for JFCOM				[-15,000]	
19	EQUIPMENT MAINTENANCE	186,658	186,658	186,658		186,658
20	DEPOT OPERATIONS SUPPORT	3,214	3,214	3,214		3,214
<u>WEAPONS SUPPORT</u>						
21	CRUISE MISSILE	155,731	155,731	155,731		155,731
22	FLEET BALLISTIC MISSILE	830,393	830,393	830,393		830,393
23	IN-SERVICE WEAPONS SYSTEMS SUPPORT	51,043	51,043	51,043		51,043

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24	WEAPONS MAINTENANCE NULKA - electronic decoy maintenance	447,327	449,327 [2,000]	447,327		447,327
<u>WORKING CAPITAL FUND SUPPORT</u>						
25	NWCF SUPPORT					
<u>BASE SUPPORT</u>						
26	SUSTAINMENT, RESTORATION & MODERNIZATION	1,330,363	1,330,363	1,330,363		1,330,363
27	BASE OPERATIONS SUPPORT Navy / USMC base level communications Annual savings from NSRR disestablishment Unjustified growth in base operating support	3,195,350	3,168,350 [-27,000]	3,195,350	-37,500 [-30,000] [-7,500]	3,157,850
	TOTAL, BA 01: OPERATING FORCES	22,677,846	22,546,346	22,750,846	-108,300	22,569,546
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>						
<u>READY RESERVE AND PREPOSITIONING FORCES</u>						
28	SHIP PREPOSITIONING AND SURGE	548,199	548,199	548,199		548,199
<u>ACTIVATIONS/INACTIVATIONS</u>						
29	AIRCRAFT ACTIVATIONS/INACTIVATIONS	7,619	7,619	7,619		7,619
30	SHIP ACTIVATIONS/INACTIVATIONS	212,393	212,393	212,393		212,393

Title III - Operation and Maintenance
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<u>MOBILIZATION PREPAREDNESS</u>						
31	FLEET HOSPITAL PROGRAM	26,119	26,119	26,119		26,119
32	INDUSTRIAL READINESS	1,523	1,523	1,523		1,523
33	COAST GUARD SUPPORT	17,185	17,185	17,185		17,185
	TOTAL, BA 02: MOBILIZATION	813,038	813,038	813,038		813,038
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>						
<u>ACCESSION TRAINING</u>						
34	OFFICER ACQUISITION	120,835	120,835	120,835		120,835
35	RECRUIT TRAINING	7,716	7,716	7,716		7,716
36	RESERVE OFFICERS TRAINING CORPS	102,336	102,336	102,336		102,336
<u>BASIC SKILLS AND ADVANCED TRAINING</u>						
37	SPECIALIZED SKILL TRAINING	434,374	434,374	434,374		434,374
38	FLIGHT TRAINING	420,829	420,829	420,829		420,829
39	PROFESSIONAL DEVELOPMENT EDUCATION	116,770	116,770	116,770		116,770
40	TRAINING SUPPORT	238,246	238,246	238,246		238,246

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<u>RECRUITING, AND OTHER TRAINING AND EDUCATION</u>						
41	RECRUITING AND ADVERTISING	282,526	272,526	282,526	1,700	284,226
	Naval Sea Cadets		[2,000]		[1,700]	
42	Other Navy military personnel and readiness		[-12,000]			
43	OFF-DUTY AND VOLUNTARY EDUCATION	146,508	146,508	146,508		146,508
44	CIVILIAN EDUCATION AND TRAINING	67,556	67,556	67,556		67,556
	JUNIOR ROTC	39,900	39,900	39,900		39,900
<u>BASE SUPPORT</u>						
45	SUSTAINMENT, RESTORATION & MODERNIZATION					
46	BASE OPERATIONS SUPPORT					
	TOTAL, BA 03: TRAINING AND RECRUITING	1,977,596	1,967,596	1,977,596	1,700	1,979,296
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>						
<u>SERVICEWIDE SUPPORT</u>						
47	ADMINISTRATION	773,940	773,940	773,940		773,940
48	EXTERNAL RELATIONS	3,893	3,893	3,893		3,893
49	CIVILIAN MANPOWER & PERSONNEL MGT	110,614	110,614	110,614		110,614
50	MILITARY MANPOWER & PERSONNEL MGT	198,465	198,465	198,465		198,465
51	OTHER PERSONNEL SUPPORT	317,284	317,284	317,284		317,284

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52	SERVICEWIDE COMMUNICATIONS	605,415	589,415	605,415		605,415
	Other Navy military personnel and readiness					
53	MEDICAL ACTIVITIES		[-16,000]			
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT					
54	SERVICEWIDE TRANSPORTATION	189,634	189,634	189,634		189,634
55	ENVIRONMENTAL PROGRAMS					
56	PLANNING, ENGINEERING & DESIGN	252,972	252,972	252,972		252,972
57	ACQUISITION AND PROGRAM MANAGEMENT	840,666	840,666	840,666		840,666
58	AIR SYSTEMS SUPPORT					
59	HULL, MECHANICAL & ELECTRICAL SUPPORT	55,505	55,505	55,505		55,505
60	COMBAT/WEAPONS SYSTEMS	51,683	51,683	51,683		51,683
61	SPACE & ELECTRONIC WARFARE SYSTEMS	70,166	70,166	70,166		70,166
61a	NAVAL CIS - Office of Naval Intelligence - small ship registry		1,500			
	SECURITY PROGRAMS					
62	SECURITY PROGRAMS	839,870	839,870	839,870		839,870
	SUPPORT OF OTHER NATIONS					
63	INTERNATIONAL HDQTRS & AGENCIES	10,603	10,603	10,603		10,603
	BASE SUPPORT					
64	CANCELLED ACCOUNT ADJUSTMENTS					

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65	JUDGEMENT FUND					
	CANCELLED ACCOUNTS					
66	CANCELLED ACCOUNT					
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	4,320,710	4,306,210	4,320,710		4,320,710
	Civilian personnel underexecution		-12,000	-11,800		
	Working Capital Fund excess balances			-200,000		
	Additional Navy MWR funds			52,400		
	Excessive unobligated balances		-97,700			
	Total Operation and Maintenance Navy	29,789,190	29,523,490	29,702,790	-106,600	29,682,590

Title III - Operation and Maintenance (Dollars in Thousands)

Line	Program Title	FY2005 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operation and Maintenance, Marine Corps					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	EXPEDITIONARY FORCES					
1	OPERATIONAL FORCES	633,914	639,414	671,314	17,100	651,014
	Interceptor body armor			[14,400]		
	General property and support equipment			[9,000]	[4,600]	
	All-purpose environmental clothing system			[4,800]	[4,800]	
	Ultra-light camouflage net system			[9,200]	[3,800]	
	Hydration on the move		[1,000]			
	Vehicle batteries		[2,500]		[1,900]	
	Tent lighting system		[2,000]		[2,000]	
2	FIELD LOGISTICS	367,293	367,293	371,293	-100	367,193
	Corrosion prevention and control			[4,000]	[3,400]	
	Unjustified growth in life cycle sustainment software maintenance				[-1,500]	
	Unjustified growth in transportation CLS replacement and ammunition rework				[-2,000]	
3	DEPOT MAINTENANCE	102,085	102,085	102,085		102,085
	USMC PREPOSITIONING					
4	MARITIME PREPOSITIONING	72,128	72,128	72,128	-1,000	71,128
	Unjustified growth in contract maintenance and training exercises				[-1,000]	
5	NORWAY PREPOSITIONING	7,763	7,763	7,763		7,763

Title III - Operation and Maintenance

(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
	<u>BASE SUPPORT</u>					
6	SUSTAINMENT, RESTORATION & MODERNIZATION	451,012	451,012	451,012		451,012
7	BASE OPERATIONS SUPPORT	1,026,795	1,026,795	1,036,007		1,026,795
	Communications support for USMC NOC			[9,212]		
	TOTAL, BA 01: OPERATING FORCES	2,660,990	2,666,490	2,711,602	16,000	2,676,990
	<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>					
	<u>ACCESSION TRAINING</u>					
8	RECRUIT TRAINING	10,539	10,539	10,539		10,539
9	OFFICER ACQUISITION	351	351	351		351
	<u>BASIC SKILLS AND ADVANCED TRAINING</u>					
10	SPECIALIZED SKILLS TRAINING	45,155	45,155	45,155		45,155
11	FLIGHT TRAINING	174	174	174		174
12	PROFESSIONAL DEVELOPMENT EDUCATION	8,972	8,972	8,972		8,972
13	TRAINING SUPPORT	134,241	134,241	134,241		134,241
	<u>RECRUITING AND OTHER TRAINING EDUCATION</u>					
14	RECRUITING AND ADVERTISING	113,988	113,988	113,988		113,988
15	OFF-DUTY AND VOLUNTARY EDUCATION	34,336	34,336	34,336		34,336

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16	JUNIOR ROTC	13,270	13,270	13,270		13,270
	<u>BASE SUPPORT</u>					
17	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	68,553	68,553	68,553		68,553
18	BASE OPERATIONS SUPPORT	162,579	162,579	162,579		162,579
	TOTAL, BA 03: TRAINING AND RECRUITING	592,158	592,158	592,158		592,158
	<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
	<u>SERVICEWIDE SUPPORT</u>					
19	SPECIAL SUPPORT	274,508	274,508	274,508		274,508
20	SERVICEWIDE TRANSPORTATION	37,300	37,300	37,300		37,300
21	ADMINISTRATION	45,271	45,271	45,271		45,271
	<u>CANCELLED ACCOUNT</u>					
22	CANCELLED ACCOUNT					
	<u>BASE SUPPORT</u>					
23	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	3,191	3,191	3,191		3,191

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24	BASE OPERATIONS SUPPORT	18,697	18,697	18,697		18,697
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	378,967	378,967	378,967		378,967
	Total Operation and Maintenance, Marine Corps	3,632,115	3,637,615	3,682,727	16,000	3,648,115
 Operation and Maintenance, Air Force						
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>						
AIR OPERATIONS						
1	PRIMARY COMBAT FORCES	3,275,334	3,430,634	3,275,334	-9,000	3,266,334
	B-1A Lancer bomber support		[157,400]			
	KC-767 tanker support		[3,500]			
	Hydration on the move		[2,000]			
	Joint crew protection masks		[1,400]			
	Combat Air Systems activities, 48th Intel Squadron		[-9,000]		[-9,000]	
2	PRIMARY COMBAT WEAPONS	331,333	331,333	331,333		331,333
3	COMBAT ENHANCEMENT FORCES	346,322	346,322	346,322		346,322
4	AIR OPERATIONS TRAINING	1,274,599	1,274,599	1,274,599	-15,000	1,259,599
	Unjustified growth in JNTC distributed mission operations				[-15,000]	

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Line	Program Title	FY2005 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
5	COMBAT COMMUNICATIONS	1,318,159	1,278,859	1,318,159		1,318,159
	Depot maintenance program realignment to Air National Guard		[-39,300]			
6	DEPOT MAINTENANCE	2,085,761	2,085,761	2,046,461	-39,300	2,046,461
	Transfer to Air National Guard			[-39,300]	[-39,300]	
7	FACILITIES SUSTAINMENT, RE: TORATION & MODERNIZATION	1,017,301	948,917	1,017,901	-9,400	1,007,901
	Drop zone extension			[600]	[600]	
	Unjustified growth for foreign national indirect hires		[-10,484]			
	Base level communications infrastructure, Air Combat Command		[-8,000]			
	Base level communications infrastructure, Pacific		[-9,000]			
	Base level communications infrastructure, Europe		[-10,000]			
	Engineering & installation, Air Combat Command		[-5,600]			
	Engineering & installation, Space Command		[-4,000]			
	Engineering & installation, Air Mobility Command		[-6,300]			
	Engineering & installation, Pacific		[-5,000]			
	Engineering & installation, Europe		[-10,000]			
	Unjustified growth for air operations centers				[-10,000]	
8	BASE SUPPORT	1,995,494	1,995,494	1,995,494		1,995,494
COMBAT RELATED OPERATIONS						
9	GLOBAL C3I & EARLY WARNING	1,147,163	1,147,163	1,147,163	-20,000	1,127,163
	Unjustified growth for C3I operations and sustainment				[-20,000]	
10	NAVIGATION/WEATHER SUPPORT	204,543	204,543	204,543		204,543

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Line	Program Title	FY2005 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
11	OTHER COMBAT OPERATIONS SUPPORT PROGRAMS Unjustified growth for service support to NORTHCOM Combatant Commanders Intelligence Capabilities Unjustified growth in engineering, installation - Space Operations School	622,524	592,312 [-26,212] [-4,000]	622,524	-20,000	602,524
12	JCS EXERCISES	32,756	32,756	32,756	[-20,000]	32,756
13	MANAGEMENT/OPERATIONAL HEADQUARTERS	240,380	240,380	240,380		240,380
14	TACTICAL INTELLIGENCE AND SPECIAL ACTIVITIES	340,102	340,102	340,102		340,102
SPACE OPERATIONS						
15	LAUNCH FACILITIES	343,565	343,565	343,565		343,565
16	LAUNCH VEHICLES	100,135	100,135	100,135		100,135
17	SPACE CONTROL SYSTEMS	237,995	237,995	237,995		237,995
18	SATELLITE SYSTEMS	68,655	68,655	68,655		68,655
19	OTHER SPACE OPERATIONS	258,376	258,376	258,376		258,376
20	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	171,469	171,469	171,469		171,469
21	BASE SUPPORT	528,332	528,332	528,332		528,332
TOTAL, BA 01: OPERATING FORCES		15,940,298	15,957,702	15,901,598	-112,700	15,827,598

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<u>BUDGET ACTIVITY 02: MOBILIZATION</u>						
<u>MOBILITY OPERATIONS</u>						
22	AIRLIFT OPERATIONS	1,919,987	1,919,987	1,919,987		1,919,987
23	AIRLIFT OPERATIONS C31	51,824	51,824	51,824		51,824
24	MOBILIZATION PREPAREDNESS	170,623	170,623	170,623		170,623
25	PAYMENTS TO TRANSPORTATION BUSINESS AREA					
26	DEPOT MAINTENANCE	410,679	371,179	431,779	-38,900	371,779
	Depot maintenance program realignment to Air National Guard		[-39,500]	[-39,500]	[-39,500]	
	Oxygen repair facility			[600]	[600]	
	Depot maintenance for KC-135			[60,000]		
27	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	200,928	200,928	200,928		200,928
28	BASE SUPPORT	537,718	537,718	537,718		537,718
	TOTAL, BA 02: MOBILIZATION	3,291,759	3,252,259	3,312,859	-38,900	3,252,859
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>						
<u>ACCESSION TRAINING</u>						
29	OFFICER ACQUISITION	73,788	73,788	73,788		73,788
30	RECRUIT TRAINING	6,034	6,034	6,034		6,034
31	RESERVE OFFICER TRAINING CORPS (ROTC)	84,381	84,381	84,381		84,381
32	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	85,892	85,892	85,892		85,892

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33	BASE SUPPORT	71,777	71,777	71,777		71,777
	<u>BASIC SKILLS AND ADVANCED TRAINING</u>					
34	SPECIALIZED SKILL TRAINING	336,818	336,818	336,818		336,818
35	FLIGHT TRAINING	775,819	775,819	775,819		775,819
36	PROFESSIONAL DEVELOPMENT EDUCATION	158,967	158,967	158,967		158,967
37	TRAINING SUPPORT	108,450	108,450	108,450		108,450
38	DEPOT MAINTENANCE	12,914	12,914	12,914		12,914
39	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	190,592	190,592	190,592		190,592
40	BASE SUPPORT	584,857	584,857	584,857		584,857
	<u>RECRUITING, AND OTHER TRAINING AND EDUCATION</u>					
41	RECRUITING AND ADVERTISING	143,369	143,369	143,369	-23,000	120,369
	Reduced recruiting goals				[-23,000]	
42	EXAMINING	3,281	3,281	3,281		3,281
43	OFF DUTY AND VOLUNTARY EDUCATION	159,129	159,129	159,129		159,129
44	CIVILIAN EDUCATION AND TRAINING	158,738	158,738	158,738		158,738
45	JUNIOR ROTC	50,108	50,108	50,108		50,108
	TOTAL, BA 03: TRAINING AND RECRUITING	3,004,914	3,004,914	3,004,914	-23,000	2,981,914

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<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>						
<u>LOGISTICS OPERATIONS</u>						
46	LOGISTICS OPERATIONS	883,478	883,478	886,478		883,478
	Radio frequency identification (RFID)			[3,000]		
47	TECHNICAL SUPPORT ACTIVITIES	432,323	432,323	432,323		432,323
48	SERVICEWIDE TRANSPORTATION	171,501	171,501	171,501		171,501
49	DEPOT MAINTENANCE	105,158	105,158	105,158		105,158
50	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	260,580	260,580	260,580		260,580
51	BASE SUPPORT	1,072,242	1,072,242	1,072,242		1,072,242
<u>SERVICEWIDE ACTIVITIES</u>						
52	ADMINISTRATION	299,617	299,617	299,617		299,617
53	SERVICEWIDE COMMUNICATIONS	377,574	348,774	377,574		377,574
	Combat Information Transport System		[-6,400]			
	Military personnel data systems		[-2,400]			
	Pentagon Communications Agency		[-20,000]			
54	PERSONNEL PROGRAMS	262,281		262,281		262,281
	Central Civilian Career Permanent Change of Station Program		[-9,500]			
55	RESCUE AND RECOVERY SERVICES	129,437	129,437	129,437		129,437
56	ARMS CONTROL	41,645	41,645	41,645		41,645
57	OTHER SERVICEWIDE ACTIVITIES	728,942	728,942	728,942		728,942
58	OTHER PERSONNEL SUPPORT	39,457	39,457	39,457		39,457

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59	CIVIL AIR PATROL CORPORATION	21,722	21,722	21,722		21,722
60	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	12,848	12,848	12,848		12,848
61	BASE SUPPORT	345,170	314,770	345,170		345,170
	Unjustified growth		[-30,400]			
	SECURITY PROGRAMS					
62	SECURITY PROGRAMS	1,024,129	1,024,129	1,024,129		1,024,129
	SUPPORT TO OTHER NATIONS					
63	INTERNATIONAL SUPPORT	26,185	26,185	26,185		26,185
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	6,234,289	6,165,589	6,237,289		6,234,289
	NORTHCOM HS/HID education consortium			1,000	1,000	1,000
	Simulation training for WMD emergency response programs			2,500	1,000	1,000
	Civilian personnel under execution		-29,500	-36,600		
	Working Capital Fund excess balances			-360,000		
	Civilian separation incentives		-40,798			
	Working Capital Fund, Transportation		-967,200	-640,000		
	Working Capital Fund, Transportation (H. Amdts 10,)		-75,000			

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	Working Capital Fund, Supply Management		-150,000			
	Excessive unobligated balances		-49,400			
	Total Operation and Maintenance, Air Force	28,471,260	27,068,566	27,423,560	-172,600	28,298,660
	Operation and Maintenance, Defense-wide					
	<u>BUDGET ACTIVITY 1: OPERATING FORCES</u>					
1	JOINT CHIEFS OF STAFF	243,062	204,162	231,262	-40,000	203,062
	Unjustified growth for JCS exercises			[-11,800]	[-40,000]	
	Unjustified growth for military air and sea lift cargo		[-27,100]			
	Unjustified growth for joint exercises		[-11,800]			
2	SPECIAL OPERATIONS COMMAND	1,992,613	1,993,613	1,993,613	-25,000	1,967,613
	Militarized lightweight tactical all terrain vehicles (LTATV)			[1,000]		
	Hydration on the move		[1,000]			
	Unjustified growth for SOCOM				[-15,000]	
	SOCCOM - decreased airlift requirements				[-10,000]	
	TOTAL, BUDGET ACTIVITY 1:	2,235,675	2,197,775	2,224,875	-65,000	2,170,675

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<u>BUDGET ACTIVITY 2: MOBILIZATION</u>						
3	DEFENSE LOGISTICS AGENCY	40,599	44,599	48,599	3,500	44,099
	Radio frequency identification (RFID)		[4,000]	[8,000]	[3,500]	
	TOTAL, BUDGET ACTIVITY 2:	40,599	44,599	48,599	3,500	44,099
<u>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</u>						
4	AMERICAN FORCES INFORMATION SERVICE	14,050	14,050	14,050		14,050
5	OTHER PROGRAMS					
6	DEFENSE ACQUISITION UNIVERSITY	103,532	103,532	103,532		103,532
7	DEFENSE CONTRACT AUDIT AGENCY	5,296	5,296	5,296		5,296
8	DEFENSE THREAT REDUCTION AGENCY	5,968	5,968	5,968		5,968
9	DEFENSE HUMAN RESOURCES ACTIVITY	56,067	66,067	56,067	5,000	61,067
	Joint Advertising and Market Res.arch		[10,000]		[10,000]	
	DLAMP program growth				[-5,000]	
10	DEFENSE FINANCE AND ACCOUNTING SERVICE					
11	DEFENSE SECURITY SERVICE	7,343	7,343	7,343		7,343
12	NATIONAL DEFENSE UNIVERSITY	90,263	94,863	90,263	2,700	92,963
	Continuing education		[2,000]		[1,500]	
	Joint Forces Staff College infrastructure		[2,600]		[1,200]	
13	SPECIAL OPERATIONS COMMAND	96,244	96,244	96,244		96,244
	TOTAL, BUDGET ACTIVITY 3:	378,763	393,363	378,763	7,700	386,463

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BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES						
14	AMERICAN FORCES INFORMATION SERVICE	110,528	110,528	110,528		110,528
15	CIVIL MILITARY PROGRAMS	101,389	101,389	112,389	7,200	108,589
	National Guard Youth Challenge Program			[11,000]	[7,200]	
18	DEFENSE CONTRACT AUDIT AGENCY	368,119	368,119	368,119		368,119
20	DEFENSE LEGAL SERVICES AGENCY	25,484	25,484	25,484		25,484
21	DEFENSE LOGISTICS AGENCY	265,379	280,379	265,379	12,750	278,129
	Commercial technologies for maintenance activities		[15,000]		[12,750]	
22	DEFENSE POW /MIA OFFICE	15,964	15,964	15,964		15,964
23	DEFENSE TECHNOLOGY SECURITY AGENCY	20,456	21,456	20,456		20,456
	Program increase		[1,000]			
24	DEFENSE THREAT REDUCTION AGENCY	319,483	320,983	321,983		319,483
	UNWD testbeds			[2,500]		
	Program increase		[1,500]			
25	DEPARTMENT OF DEFENSE EDUCATION AGENCY	1,761,852	1,819,052	1,761,852	-10,000	1,751,852
	DOD supplemental impact aid		[50,000]			
	Joint Counterintelligence Training Academy		[7,200]			
	DoDEA unjustified certification program				[-10,000]	
26	DOD HUMAN RESOURCES ACTIVITY	318,940	318,940	318,940	-6,400	312,540
	Defense Business Fellows				[-4,400]	
	Business systems				[-2,000]	
27	DEFENSE CONTRACT MANAGEMENT AGENCY	1,029,592	1,029,592	1,029,592		1,029,592

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28	DEFENSE FINANCE AND ACCOUNTING SERVICE	4,310	4,310	4,310		4,310
29	DEFENSE INFORMATION SERVICES AGENCY	1,090,558	1,090,558	1,090,558	-25,000	1,065,558
	Program growth				[-25,000]	
30	DEFENSE SECURITY COOPERATION AGENCY	83,922	83,922	83,922		83,922
31	DEFENSE SECURITY SERVICE	277,100	227,100	277,100	-25,000	252,100
	Program reduction to prevent transition to Working Capital Fund		[-50,000]			
	Unjustified program				[-25,000]	
32	JOINT CHIEFS OF STAFF	278,884	278,884	278,884		278,884
34	OFFICE OF ECONOMIC ADJUSTMENT	44,756	44,756	44,756		44,756
35	OFFICE OF THE SECRETARY OF DEFENSE	805,813	693,243	785,013	-103,550	702,263
	Information Assurance Scholarship Program			[3,000]	[2,250]	
	Command Information Superiority Architectures Program			[3,500]	[1,000]	
	Capital cost sharing-eliminate subsidy			[-27,300]	[-27,300]	
	FEHB premiums for mobilized federal employees			[10,000]		
	USD(I)			[-20,000]		
	Environment readiness			[-10,000]		
	Public affairs			[-11,500]		
	Secretary's analytical agenda			[-7,000]		
	Unjustified growth			[-20,000]		
	Persistent stratospheric vehicles			[4,230]		
	DICC - research technology protection			[4,800]		
	Counterintelligence Law Enforcement Watch Center			[4,000]		
	Paralyzed Veterans Association			[1,000]		

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	Chief information officer program:		[-12,000]			
	Comptroller Business Management Modernization Program		[-25,400]			
	Horizontal Fusion		[-3,400]			
	Public affairs					
	Business Management Modernization Program (BMMP)					
	Net Assessment					
	BMMP domains					
	Logistics system modernization					
	DOD CIO					
	Training transformation					
	Contract and support					
	Study program					
	Comptroller initiatives					
	Defense procurement and acquisition policy					
36	SPECIAL OPERATIONS COMMAND	142,457	142,457	142,457		142,457
37	WASHINGTON HEADQUARTERS SERVICE	447,166	437,166	447,166		447,166
	BRAC Commission		[-10,000]			
99	OTHER PROGRAMS	7,326,887	7,326,887	7,326,887		7,326,887
	TOTAL, BUDGET ACTIVITY 4:	14,839,039	14,741,169	14,831,739	-150,000	14,689,039
	Impact aid			30,000	30,000	30,000
	Impact aid for children with disabilities			5,000	5,000	5,000

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	Working Capital Fund excess balances			-60,700		
	Financial information systems			-4,700		
	Excessive unobligated balances		-59,500			
	One Source military counseling (S. Amdt 3289)			5,000		
	Total Operation and Maintenance, Defense-Wide	17,494,076	17,317,406	17,458,576	-168,800	17,325,276

Operation and Maintenance, Army Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

1	DIVISION FORCES	7,640	7,640	7,640		7,640
2	CORPS COMBAT FORCES	34,607	34,607	34,607		34,607
3	CORPS SUPPORT FORCES	318,411	318,411	318,411		318,411
4	ECHOLON ABOVE CORPS FORCES	150,421	150,421	150,421		150,421
5	LAND FORCES OPERATIONS SUPPORT	459,134	459,134	459,134		459,134

LAND FORCES READINESS

6	FORCES READINESS OPERATIONS SUPPORT	153,475	153,475	153,475		153,475
7	LAND FORCES SYSTEM READINESS	65,202	65,202	65,202		65,202
8	LAND FORCES DEPOT MAINTENANCE	71,548	71,548	71,548		71,548

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(Dollars in Thousands)

<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
	<u>LAND FORCES READINESS SUPPORT</u>					
9	BASE OPERATIONS SUPPORT	379,112	384,712	379,112		379,112
	Family Support Programs		[5,600]			
10	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	201,141	201,141	201,141		201,141
11	MISCELLANEOUS ACTIVITIES	7,627	7,627	7,627		7,627
	Tuition assistance		1,000			
	TOTAL, BA 01: OPERATING FORCES	1,848,318	1,854,918	1,848,318		1,848,318
	<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
	<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>					
12	ADMINISTRATION	52,180	52,180	52,180		52,180
13	SERVICEWIDE COMMUNICATIONS	9,116	9,116	9,116		9,116
14	MANPOWER MANAGEMENT	8,201	8,201	8,201		8,201
15	RECRUITING AND ADVERTISING	90,313	90,313	90,313		90,313
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	159,810	159,810	159,810		159,810
	Military technicians cost avoidance / underexecution		-11,000	-82,400		

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<u>Line</u>	<u>Program Title</u>	<u>FY2005</u> <u>Request</u>	<u>House</u> <u>Authorized</u>	<u>Senate</u> <u>Authorized</u>	<u>Conference</u> <u>Change</u>	<u>Conference</u> <u>Authorized</u>
	Total Operation and Maintenance, Army Reserve	2,008,128	2,003,728	1,925,728		2,008,128
	Operation and Maintenance, Navy Reserve					
	<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>					
	<u>RESERVE AIR OPERATIONS</u>					
1	MISSION AND OTHER FLIGHT OPERATIONS	483,526	483,526	483,526		483,526
2	INTERMEDIATE MAINTENANCE	16,494	16,494	16,494		16,494
3	AIR OPERATIONS AND SAFETY SUPPORT	1,592	1,592	1,592		1,592
4	AIRCRAFT DEPOT MAINTENANCE	131,607	131,607	131,607		131,607
5	AIRCRAFT DEPOT OPERATIONS SUPPORT	384	384	384		384
	<u>RESERVE SHIP OPERATIONS</u>					
6	MISSION AND OTHER SHIP OPERATIONS	59,127	59,127	59,127		59,127
7	SHIP OPERATIONAL SUPPORT AND TRAINING	531	531	531		531
8	INTERMEDIATE MAINTENANCE					
9	SHIP DEPOT MAINTENANCE	92,787	92,787	92,787		92,787
10	SHIP DEPOT OPERATIONS SUPPORT	3,596	3,596	3,596		3,596
	<u>RESERVE COMBAT OPERATIONS SUPPORT</u>					
11	COMBAT COMMUNICATIONS	6,732	6,732	6,732		6,732

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<u>Line</u>	<u>Program Title</u>	<u>FY2005</u> <u>Request</u>	<u>House</u> <u>Authorized</u>	<u>Senate</u> <u>Authorized</u>	<u>Conference</u> <u>Change</u>	<u>Conference</u> <u>Authorized</u>
12	COMBAT SUPPORT FORCES	224,589	224,589	224,589		224,589
13	RESERVE WEAPONS SUPPORT					
	WEAPONS MAINTENANCE	5,548	5,548	5,548		5,548
14	BASE SUPPORT					
	SUSTAINMENT, RESTORATION AND MODERNIZATION	73,410	73,410	73,410		73,410
15	BASE OPERATIONS SUPPORT	108,863	108,863	108,863		108,863
	TOTAL, BA 01: OPERATING FORCES	1,208,786	1,208,786	1,208,786		1,208,786
	<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
	<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>					
16	ADMINISTRATION	6,930	6,930	6,930		6,930
17	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT					
18	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	8,797	8,797	8,797		8,797
19	SERVICEWIDE COMMUNICATIONS	3,347	3,347	3,347		3,347
20	COMBAT/WEAPONS SYSTEMS	5,667	5,667	5,667		5,667
21	OTHER SERVICEWIDE SUPPORT	6,511	6,511	6,511		6,511

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	<u>CANCELLED ACCOUNTS</u>					
22	CANCELLED ACCOUNTS					
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	31,252	31,252	31,252		31,252
	Total Operation and Maintenance, Navy Reserve	1,240,038	1,240,038	1,240,038		1,240,038
	Operation and Maintenance, Marine Corps Reserve					
	<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>					
	<u>MISSION FORCES</u>					
1	OPERATING FORCES	72,940	72,940	81,740		72,940
	Interceptor body armor			[2,200]		
	General property and support equipment			[3,000]		
	All-purpose environmental clothing system			[600]		
	Ultra-light camouflage net system			[3,000]		
2	DEPOT MAINTENANCE	12,132	12,132	12,132		12,132
3	BASE SUPPORT					
4	TRAINING SUPPORT	25,544	25,544	25,544		25,544
5	SUSTAINMENT, RESTORATION AND MODERNIZATION					

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(Dollars in Thousands)

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	<u>BASE SUPPORT</u>					
6	SUSTAINMENT, RESTORATION AND MODERNIZATION	12,126	12,126	12,126		12,126
7	BASE OPERATING SUPPORT	33,370	33,370	33,370		33,370
	TOTAL, BA 01: OPERATING FORCES	156,112	156,112	164,912		156,112
	<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
	<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>					
8	SPECIAL SUPPORT	8,948	8,948	8,948		8,948
9	SERVICE-WIDE TRANSPORTATION	580	580	580		580
10	ADMINISTRATION	10,407	10,407	10,407		10,407
11	BASE SUPPORT					
12	RECRUITING AND ADVERTISING	8,013	8,013	8,013		8,013

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	<u>BASE SUPPORT</u>					
13	BASE SUPPORT	4,636	4,636	4,636		4,636
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	32,584	32,584	32,584		32,584
	Total Operation and Maintenance, Marine Corps Reserve	188,696	188,696	197,496		188,696
	Operation and Maintenance, Air Force Reserve					
	<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>					
	<u>AIR OPERATIONS</u>					
1	PRIMARY COMBAT FORCES	1,329,717	1,329,717	1,329,717		1,329,717
2	MISSION SUPPORT OPERATIONS	74,077	74,077	74,077		74,077
3	DEPOT MAINTENANCE	410,893	410,893	410,893		410,893
4	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	53,056	53,056	53,056		53,056
5	BASE SUPPORT	264,425	264,425	264,425		264,425
	TOTAL, BA 01: OPERATING FORCES	2,132,168	2,132,168	2,132,168		2,132,168

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Line	Program Title	FY2005 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>						
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>						
6	ADMINISTRATION	60,270	60,270	60,270		60,270
7	RECRUITING AND ADVERTISING	14,516	14,516	14,516		14,516
8	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,485	25,485	25,485		25,485
9	OTHER PERSONNEL SUPPORT (DISABILITY COMP)	6,707	6,707	6,707		6,707
10	AUDIOVISUAL	644	644	644		644
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	107,622	107,622	107,622		107,622
	Military technicians cost avoidance / underexecution		-13,000	-85,000		
	Total Operation and Maintenance, Air Force Reserve	2,239,790	2,226,790	2,154,790		2,239,790
	Operation and Maintenance, Army National Guard					
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>						
	<u>LAND FORCES</u>					
1	DIVISIONS	558,168	558,168	558,168		558,168

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<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
2	CORPS COMBAT FORCES	629,062	629,062	629,062		629,062
3	CORPS SUPPORT FORCES	333,393	333,393	333,393		333,393
4	ECHOLON ABOVE CORPS FORCES	615,838	615,838	615,838		615,838
5	LAND FORCES OPERATIONS SUPPORT	20,786	20,786	20,786		20,786
LAND FORCES READINESS						
6	FORCE READINESS OPERATIONS SUPPORT	180,163	181,163	181,813	1,300	181,463
	Cannon bore cleaning			[1,650]	[1,300]	
	Hydration on the move		[1,000]			
7	LAND FORCES SYSTEMS READINESS	142,914	142,914	142,914		142,914
8	LAND FORCES DEPOT MAINTENANCE	230,567	230,567	230,567		230,567
LAND FORCES READINESS SUPPORT						
9	BASE OPERATIONS SUPPORT	577,028	607,028	577,028		577,028
	Family Assistance Centers		[30,000]			
10	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	384,044	384,044	384,044		384,044
11	MANAGEMENT AND OPERATIONAL HQ	451,167	451,167	451,167		451,167
12	MISCELLANEOUS ACTIVITIES	59,356	59,356	59,356		59,356
TOTAL, BA 01: OPERATING FORCES		4,182,486	4,213,486	4,184,136	1,300	4,183,786

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<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>						
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>						
13	ADMINISTRATION	110,669	110,669	110,669		110,669
14	SERVICEWIDE COMMUNICATIONS	26,341	26,341	26,341		26,341
15	MANPOWER MANAGEMENT	35,376	35,376	35,376		35,376
16	RECRUITING AND ADVERTISING	85,814	85,814	85,814		85,814
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	258,200	258,200	258,200		258,200
	CERFP			1,500		
	Military technicians cost avoidance / underexecution		-32,000	-227,400		
	WMD-CSTs			9,800	9,800	9,800
	CBRA			1,000	1,000	1,000
	Tuition assistance		500			
	Excessive unobligated balances		-14,500			
	Total Operation and Maintenance, Army National Guard	4,440,686	4,425,686	4,227,236	12,100	4,452,786

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	Operation and Maintenance, Air National Guard					
	<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>					
	<u>AIR OPERATIONS</u>					
1	AIRCRAFT OPERATIONS	2,685,471	2,685,471	2,685,471		2,685,471
2	MISSION SUPPORT OPERATIONS	362,114	362,114	364,114	1,700	363,814
	Extended cold weather clothing system			[2,000]	[1,700]	
3	DEPOT MAINTENANCE	676,647	755,447	755,447	78,800	755,447
	ANG depot maintenance (transfer from AF DPEM BA1, BA2)		[78,800]	[78,800]	[78,800]	
4	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	230,642	230,642	230,642		230,642
5	BASE SUPPORT	431,076	431,076	431,076		431,076
	TOTAL, BA 01: OPERATING FORCES	4,385,950	4,464,750	4,466,750	80,500	4,466,450
	<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
	<u>SERVICEWIDE ACTIVITIES</u>					
6	ADMINISTRATION	27,490	27,490	27,490		27,490
7	RECRUITING AND ADVERTISING	9,398	9,398	9,398		9,398
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	36,888	36,888	36,888		36,888

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<u>Line</u>	<u>Program Title</u>	<u>FY2005 Request</u>	<u>House Authorized</u>	<u>Senate Authorized</u>	<u>Conference Change</u>	<u>Conference Authorized</u>
	Military technicians cost avoidance / underexecution CERFP		-19,000	-137,300		
	Excessive unobligated balances		-33,700	400		
	Total Operation and Maintenance, Air National Guard	4,422,838	4,448,938	4,366,738	80,500	4,503,338
<u>TRANSFER ACCOUNTS</u>						
1	ENVIRONMENTAL RESTORATION, ARMY Fort Hood offsite conservation program	400,948	400,948	405,598 [850]		400,948
2	ENVIRONMENTAL RESTORATION, NAVY Environmental compliance --Holston Army Ammo Plant	266,820	266,820	266,820		266,820
3	ENVIRONMENTAL RESTORATION, AIR FORCE	397,368	397,368	397,368		397,368
4	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	23,684	23,684	23,684		23,684
5	ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	216,516	216,516	256,516	40,000	256,516
	TOTAL, O&M, TRANSFER ACCOUNTS	1,305,336	1,305,336	1,349,986	40,000	1,345,336
<u>MISCELLANEOUS APPROPRIATIONS</u>						
6	U.S. COURT OF APPEALS FOR THE ARMED FORCES	10,825	10,825	10,825		10,825
7	SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS					

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8	OVERSEAS CONTINGENCIES OPERATIONS TRANSFER FUND Program reduction	30,000	5,000 [-25,000]	[-30,000]	-20,000 [-20,000]	10,000
9	EMERGENCY RESPONSE FUND, DEFENSE					
10	EMERGENCY RESPONSE FUND, DEFENSE					
11	EMERGENCY RESPONSE FUND, DEFENSE					
12	EMERGENCY RESPONSE FUND, DEFENSE					
13	EMERGENCY RESPONSE FUND, DEFENSE					
14	EMERGENCY RESPONSE FUND, DEFENSE					
15	EMERGENCY RESPONSE FUND, DEFENSE					
16	EMERGENCY RESPONSE FUND, DEFENSE					
17	EMERGENCY RESPONSE FUND, DEFENSE					
18	IRAQ FREEDOM FUND, DEF					
19	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS	59,000	59,000	59,000		59,000
20	KAHOOLAWE					
21	CLAIMS, MT. PINATUBO, DEFENSE					
22	FORMER SOVIET UNION (FSU) THREAT REDUCTION	409,200	409,200	409,200		409,200
	Defense Industrial Base Capabilities Fund		50,000			
	TOTAL, MISCELLANEOUS	509,025	534,025	479,025	-20,000	489,025
	TOTAL OPERATION AND MAINTENANCE TITLE:	121,874,589	119,758,925	120,522,301	-354,400	121,520,189

Items of Special Interest

Navy Marine Corps Intranet

The conferees note that the Navy Marine Corps Intranet (NMCI) program is working to transfer legacy applications and networks into the NMCI environment. The conferees note that the scope of this process is large and the original goals relating to termination or migration of legacy applications have not been achieved. The conferees understand that there may be valid operational reasons for not migrating some legacy applications into the NMCI environment. The Secretary of the Navy should accelerate the migration or termination of legacy applications and networks, and the conferees direct the Secretary to report to the Congress on the progress in this area, as well as on a plan for the future funding of any legacy systems support by September 30, 2005. The conferees take no position on matters of NMCI contract administration and direct the Secretary to resolve any matters in contractual arrangements relating to legacy application termination, transition, and support in a manner consistent with established procedures and acquisition policies.

Transforming the Department of the Army's logistics maintenance information

The conferees support the Department of the Army's recent decision to allocate funds to reduce the cost, while increasing the speed of transforming its logistics maintenance information into modern and usable formats. The conferees urge the Army to continue these efforts as a means to improve maintenance support tools available to soldiers.

Legislative Provisions Adopted

Subtitle A-Authorization of Appropriations

Authorization of appropriations (secs. 301-303)

The House bill contained provisions (sec. 301-303) that would authorize fiscal year 2005 funding levels for all operation and maintenance accounts, working capital funds, and other Department of Defense programs, including the Defense Inspector General, the Chemical Demilitarization Program, Drug Interdiction and Counter-Drug Activities, and the Defense Health Program.

The Senate amendment contained similar provisions (secs. 301-303).

The conference agreement includes these provisions.

Chemical Agents and Munitions Destruction, Defense (sec. 303b)

The budget request included \$1,372.0 million in Chemical Agents and Munitions Destruction, Army for the Department of Defense.

The House bill contained a provision (sec. 303(b)) that would provide a total of \$1,372.0 million in Chemical Agents and Munitions Destruction, Defense (CAMD,D) for the Department of Defense.

The Senate amendment contained a provision (sec. 303(b)) that would provide a total of \$1,519.0 million for CAMD,D, including an increase of \$147.0 million to restore the funding for the chemical demilitarization research and development program at the Pueblo Chemical Agent Disposal Facility, Pueblo, Colorado, to the original estimates developed by the Department's Cost Analysis Improvement Group, which were provided in the Future Years Defense Program submitted with the fiscal year 2004 budget request.

The House recedes with an amendment that would authorize \$1,372.0 million for CAMD,D, as follows: \$1,088.8 million for Operation and Maintenance; \$204.2 million for Research and Development, (an increase of \$50.0 million to the budget request to be used for the chemical demilitarization research and development program at Pueblo); and \$79.0 million for Procurement.

Elsewhere in this report the conferees recommend an authorization of \$81.9 million for military construction for the Chemical Agents and Munitions Destruction program.

The conferees note the reduction in the fiscal year 2005 budget request from the fiscal year budget estimate for the chemical demilitarization program, particularly for the Pueblo facility, and concerns raised in the Senate report accompanying S.2400 (S. Rept. 108-260) regarding the need to provide sufficient funding in the program for the United States to meet its obligations under the Chemical Weapons Convention. The conferees also note the views expressed in the House report accompanying H.R. 4200 (H. Rept. 108-491) that the United States proceed as rapidly as possible in destroying the stockpile of bulk VX nerve agent stored at Newport Chemical Depot, Indiana, in order to ensure maximum safety and to meet international treaty commitments, while proceeding objectively and deliberately in ensuring that the disposal of the hydrolysate hazardous waste, which results from neutralization of the VX agent, in a commercial hazardous water treatment facility does not compromise the public health and safety of the citizens or the environment near such a facility.

Elsewhere in this report the conferees have recommended a provision that would require the Under Secretary of Defense for Acquisition, Technology and Logistics and the Secretary of the Army to jointly prepare and annually update a strategic report

for future activities and funding of the chemical demilitarization program.

Section 1421 of the Department of Defense Authorization Act, 1986 (section 1521 of title 50, United States Code, Public Law 99-145) requires that funds for the chemical demilitarization program, including those for military construction, shall be set forth in the budget of the Department for any fiscal year as a separate account and shall not be included in the budget accounts for any military department. Section 141 of the National Defense Authorization Act for fiscal year 2003 (Public Law 107-314) requires that the Under Secretary of Defense (Comptroller) annually certify to the congressional defense committees that the budget request for the chemical agents and munition destruction program has been submitted in accordance with the requirements of section 1421. The Department submitted the fiscal year 2005 budget request for chemical demilitarization in an Army account, contrary to the law. The conferees expect the Department to comply with the law in future budget requests by submitting the budget request for chemical agents and munitions destruction in a Department of Defense account.

Subtitle B-Environmental Provisions

Satisfaction of Superfund audit requirements by the Inspector General of the Department of Defense (sec. 311)

The Senate amendment contained a provision (sec. 323) that would allow the Inspector General of the Department of Defense the discretion to audit Superfund financial transactions on a periodic basis.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees expect that a periodic review would result in an audit at least every three years.

Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington (sec. 312)

The Senate amendment contained a provision (sec. 322) that would provide discretionary authority to the Secretary of Defense to transfer not more than \$524,927 to the Moses Lake Wellfield Superfund Site (Moses Lake), 10-6J Special Account, formerly the home of Larson Air Force Base. This payment would be for reimbursement to the Environmental Protection Agency for costs and interest incurred to perform a remedial investigation and feasibility study at Moses Lake, where the groundwater is apparently contaminated with trichloroethylene.

The House bill contained no similar provision.
The House recesses.

Increase in authorized amount of environmental remediation, Front Royal, Virginia (sec. 313)

The Senate amendment contained a provision (sec. 325) that would amend section 591(a)(2) of the Water Resources Development Act of 1999 (Public Law 106-53) by increasing the authorized level by \$10.0 million for environmental remediation in Front Royal, Virginia.

The House bill contained no similar provision.
The House recesses.

Small Boat Harbor, Unalaska, Alaska (sec. 314)

The conferees agree to include a provision that requires the Secretary of the Army to carry out the small boat harbor project in Unalaska, Alaska. The conferees note that the total estimated cost is \$23.2 million, with an estimated federal cost of \$11.5 million and an estimated non-federal cost of \$11.7 million. The project shall be carried out in accordance with the plans and subject to the conditions recommended in a final report of the Chief of Engineers, if a favorable final report of the Chief for the project is completed not later than December 31, 2004.

Report regarding encroachment issues affecting Utah Test and Training Range, Utah (sec. 315)

The House bill included a provision (sec. 311) that would require the Secretary of the Air Force to submit a report to the Committees on Armed Services of the Senate and the House of Representatives that outlines current and anticipated encroachments on the use of the special use airspace of the Utah Test and Training Range (UTTR). The Senate amendment included a similar provision (sec. 329). The Senate amendment also confirmed a prohibition on ground military operations in the covered wilderness study area within UTTR. The Senate amendment further clarified that nothing in the provision would prevent required maintenance of existing communications, instrumentation, or electronic tracking systems necessary for effective testing and training to meet military requirements in UTTR.

The House recesses with a technical amendment.

Comptroller General Study and report on Alternative Technologies to decontaminate groundwater at Department of Defense installations (sec. 316)

The Senate amendment contained a provision (sec. 326) which would require the Comptroller General of the United States to conduct a study to determine whether or not cost-effective technologies are available to the Department of Defense for the cleanup of groundwater contamination at Department installations in lieu of traditional methods.

The House bill contained no similar provision.

The House recedes with an amendment clarifying the scope of the study.

Comptroller General study and report on drinking water contamination and related health effects at Camp Lejeune, North Carolina (sec. 317)

The Senate amendment contained a provision (sec. 324) that would require the Comptroller General of the U.S. to conduct a study of the history of drinking water contamination at the United States Marine Corps (USMC) base at Camp Lejeune, North Carolina.

The House bill contained no similar provision.

The House recedes with an amendment clarifying the scope of the study.

Sense of Congress regarding perchlorate contamination of ground and surface water from Department of Defense activities (sec. 318)

The Senate amendment contained a provision (sec. 327) that would express the sense of the Senate that the Department of Defense should develop a national plan to remediate perchlorate contamination specifically to: (1) ensure the Department is prepared to respond quickly and appropriately once a drinking water standard is established; (2) continue remediation at those sites where perchlorate contamination poses an imminent and substantial endangerment to public health; (3) develop a plan to remediate perchlorate contamination in cases in which such contamination from the Department's activities is present in ground or surface water at levels the Department determines pose a hazard to human health; and (4) continue the process of evaluating and prioritizing sites without waiting for the development of a federal standard.

The House bill contained no similar provision.

The House recedes with an amendment clarifying the scope of the sense of the Congress.

Subtitle C-Workplace and Depot Issues

Simplification of annual reporting requirements concerning funds expended for depot maintenance and repair workloads (sec. 321)

The House bill contained a provision (sec. 321) that would amend section 2466(d) of title 10, United States Code, to require the Secretary of Defense to submit to Congress a report on the percentage of funds expended or expected to be expended for depot maintenance and repair workloads in the public and private sectors.

The Senate amendment contained a similar provision (section 331) that would simplify and improve the two separate annual reports required by section 2466(d) of title 10, United States Code, that the Department of Defense prepares relating to the percentage of funds expended or projected to be expended for depot maintenance and repair workloads in the public and private sectors.

The House recedes with a technical amendment.

Repeal of annual reporting requirement concerning management of depot employees (sec. 322)

The House bill contained a provision (sec. 322) that would repeal section 2472(b) of title 10, United States Code, which currently requires the Secretary of Defense to report annually to the Committees on Armed Services of the Senate and the House of Representatives the number of Department of Defense employees employed and expected to be employed during that fiscal year to perform depot level maintenance and repair of materiel.

The Senate amendment contained a similar provision (sec. 332).

The Senate recedes.

Extension of special treatment for certain expenditures incurred in the operation of Centers of Industrial and Technical Excellence (sec. 323)

The Senate amendment contained a provision (sec. 333) that would extend for three years section 2474(f) of title 10, United States Code. Section 2474(f) excludes all work performed by non-federal personnel at designated Centers of Industrial and Technical Excellence from the 50 percent limitation on contracting for depot maintenance in section 2466(a) of title 10, United States Code, if the personnel are performing the work pursuant to a public-private partnership.

The House bill contained no similar provision.

The House recedes.

Temporary authority for contractor performance of security-guard functions (sec. 324)

The Senate amendment contained a provision (sec. 362) that would extend for two years the authority granted in section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314) to hire contract security guards on a temporary basis to fill positions that would otherwise be filled by members of the Armed Forces.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit a report on the use of this authority no later than December 1, 2005.

Pilot program for purchase of certain municipal services for Army installation (sec. 325)

The Senate amendment contained a provision (sec. 363) that would authorize a pilot program under which the secretary of a military department could provide for the purchase of local governmental services at a Department of Defense installation from the local government responsible for serving the area.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the pilot program to two Department of Army installations located in the United States.

Bid protests by federal employees in actions under Office of Management and Budget Circular A-76 (sec. 326)

The House bill contained a provision (sec. 325) that would express the sense of Congress that Department of Defense civilian employees (or their representatives) and contractors (or their representatives) should receive comparable treatment regarding legal standing to challenge the way in which a public-private competition has been conducted before the Government Accountability Office (GAO) or in the U.S. Court of Federal Claims.

The Senate amendment contained a provision (sec. 1107) that would provide such legal standing, in GAO bid protests only, to both: (1) the official who submits an agency tender in a public-private competition (the Agency Tender Official (ATO)); and (2) a person representing a majority of the employees of the federal agency who are engaged in the performance of the activity or function that is subject to the competition. The Senate amendment also authorized the ATO or a person representing a majority of the employees to intervene in protests filed in the U.S. Court of Federal Claims.

The House recedes with an amendment providing the ATO legal standing in GAO bid protests of public-private competitions for functions performed by more than 65 full-time federal employees.

Under the conference agreement, the ATO would be required to file a protest at the request of a majority of the employees of

the federal agency who are engaged in the performance of the activity or function that is subject to the competition unless the ATO determines that there is no reasonable basis for the protest. A determination by the ATO would not be subject to judicial or administrative appeal, but would be reported to the congressional defense committees. A person representing a majority of the employees would not have standing to file a protest, but would have the right to intervene in a protest filed by an interested party, including the ATO. The conference agreement would not address protests that are filed in the United States Court of Federal Claims.

Limitations on conversion of work performed by Department of Defense civilian employees to contractor performance (sec. 327)

The House bill contained a provision (sec. 323) that would: (1) codify the prohibition on converting an activity or function to private sector performance unless the conversion would result in savings of at least 10 percent or \$10.0 million; (2) prohibit the Department from breaking up a function to avoid applicable thresholds for conducting a public competition; (3) ensure that a public competitor is not disadvantaged by the offer of a private competitor to reduce costs by reducing health care benefits for its employees; and (4) require the Department to conduct a competition, including an agency tender, a most efficient organization plan, and a formal cost comparison for any function performed by 10 or more civilian employees.

The Senate amendment contained a similar provision (sec. 851).

The Senate recedes with an amendment that would: (1) codify the prohibition on converting an activity or function to private sector performance unless the conversion would result in savings of at least 10 percent or \$10.0 million when conducting a public-private competition under OMB circular A-76 dated May 29, 2003; and (2) prohibit the Department of Defense from breaking up a function to avoid applicable thresholds for conducting a public-private competition under A-76 Circular A-76, May 29, 2003.

The conferees agree to exclude the pilot program for best-value source selection authorized by section 336 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 103-136) from the requirement to apply a price differential of 10 percent or \$10.0 million. The conferees expect the Secretary of Defense to utilize the price differential in the cost or price component of an evaluation under the pilot program, but understand that cost or price alone is not determinative in a best value competition.

The conferees note that the Department of Defense Appropriations Act for Fiscal Year 2005 (Public Law 108-257) includes a provision that would require the Department to ensure, in fiscal year 2005, that a public competitor is not

disadvantaged by the offer of a private competitor to reduce costs by reducing health care benefits for its employees and that the Department must conduct a competition, including an agency tender, a most efficient organization plan, and a formal cost comparison for any function performed by 10 or more civilian employees.

The conferees direct the Comptroller General to review the implementation and impact of the Appropriations provision with regard to health care costs and competition of small agency functions. The Comptroller General's review should also address the full range of benefits provided by public and private sector employers, the manner in which these benefits are considered in a public-private competition, the impact of any benefit changes on employees who transition to private sector employment as a result of a public-private competition, and steps that could be taken to ameliorate any adverse impact of such a transition.

The conferees direct the Comptroller General to provide a preliminary report on this review to the congressional defense committees by no later than May 1, 2005, and a final report by no later than three months after the end of fiscal year 2005.

Competitive sourcing reporting requirement (sec. 328)

The House bill contained a provision (sec. 326) that would require the Inspector General of the Department of Defense to submit to Congress a report addressing whether the Department has implemented a comprehensive and reliable system to track and assess the results of public-private competitions. The House provision would establish a number of specific elements to be addressed in the tracking system.

The Senate amendment contained a compatible provision (sec. 853). The Senate provision would not establish the specific reporting elements to be addressed in the tracking system.

The House recedes.

The conferees note that section 354 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398) and section 385 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) required the Department to maintain a system for tracking the results of public-private competitions and established the specific elements to be addressed in the tracking system.

Subtitle D-Information Technology

Preparation of Department of Defense plan for transition to Internet Protocol version 6 (sec. 331)

The House bill contained a provision (sec. 331) that would require the Secretary of Defense to prepare a transition plan to

evaluate how the Department of Defense's information technology systems may be affected by the Department's decision to transition from the current protocols to Internet Protocol version 6 (IPv6). The provision would also direct the Secretary to conduct and manage tests of IPv6 and the global information grid to ensure the needs of the warfighter will continue to be met.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to include cost estimates in the IPv6 transition plan.

The conferees expect that any testing will be performed under the direction and review of the Director of Operational Test and Evaluation, who shall identify the most appropriate facilities and organizations to perform the testing. The conferees direct the Director to provide an update on the ongoing test program and test results no later than September 30, 2005.

Defense business enterprise architecture, system accountability, and conditions for obligation of funds for defense business system modernization (sec. 332)

The House bill contained a provision (sec. 332) that would require the Department of Defense to develop a comprehensive architecture for all business systems of the Department. The provision would also prohibit significant investments in new business systems or upgrades to existing business systems that would be inconsistent with the new architecture.

The Senate amendment contained a similar provision (sec. 1004).

The Senate recedes with an amendment that would: (1) clarify the criteria for approving business system modernization expenditures; (2) provide that a covered expenditure for a business system that has not been approved is a violation of the Anti-Deficiency Act (31 U.S.C., section 1341); (3) provide additional detail on the composition of the enterprise architecture and transition plan; (4) clarify that domain managers have responsibility for the review, approval, and oversight of defense business system acquisition and operation, but not for the execution of such requirements; (5) clarify the budget justification material to be provided by the Secretary of Defense in support of the President's budget; (6) require the Secretary to appoint a Vice Chairman of the Defense Business System Management Committee; (7) clarify the responsibilities of the Committee; and (8) require the Comptroller General to assess the Department's compliance with the requirements of the provision.

Report on maturity and effectiveness of the Global Information Grid Bandwidth Expansion (GIG-BE) (sec. 333)

The Senate amendment contained a provision (sec. 142) that would require the Secretary of Defense to submit a report to the congressional defense committees on a test program to demonstrate the maturity and effectiveness of the Global Information Grid-Bandwidth Expansion (GIG-BE).

The House bill amendment contained no similar provision.

The House recedes with a technical amendment.

Subtitle E-Extensions of Program Authorities

Two-year extension of Department of Defense telecommunications benefit (sec. 341)

The Senate amendment contained a provision (sec. 341) that would extend until September 30, 2006 the Department of Defense telecommunications benefit authorized in section 344 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136).

The House bill contained no similar provision.

The House recedes.

The conferees are concerned that the Department has not competitively awarded a contract under this section, relying instead on an existing contract. The conferees expect that the Secretary of Defense will, as soon as possible, award a contract to a commercial firm for the purposes of this provision through competitive procedures.

Extension of Arsenal Support Program Initiative (sec. 342)

The House bill contained a provision (sec. 351) that would amend Section 343 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), to authorize the Secretary of the Army to extend the Arsenal Support Initiative Program through fiscal year 2008. This section would also require the Secretary to report to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2007, the benefits of the program, the extent to which the program met its goals, and whether the program should be made permanent.

The Senate amendment contained a similar provision (sec. 342) that would extend the Arsenal Support Program Initiative through the end of fiscal year 2006.

The Senate recedes.

Two-year extension of warranty claims recovery pilot program (sec. 343)

The Senate amendment contained a provision (sec. 343) that

would extend, through September 30, 2006, the warranty claims recovery pilot program authorized in section 391 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85).

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit a report on the commercial use of warranty recovery services, and to determine whether the pilot should be made permanent or extended beyond 2006.

Subtitle F-Other Matters

Reimbursement for certain protective, safety, or health equipment purchased by or for members of the Armed Forces deployed in contingency operations (sec. 351)

The House bill contained a provision (sec. 304) that would authorize the Secretary of Defense to reimburse service members who purchased protective body armor for use while deployed in connection with Operation Noble Eagle, Operation Enduring Freedom, or Operation Iraqi Freedom, if the service member did not receive the protective body armor before engaging in such operations where such body armor might be necessary. Reimbursement would be available to service members who purchased the body armor between September 1, 2003 and December 31, 2003.

The Senate amendment contained a provision (sec. 1072) that would direct the Secretary to reimburse service members, a relative of the service member, a nonprofit organization, or a community group, who purchased any protective, safety, or health equipment for use by such service member while deployed in connection with Operation Noble Eagle, Operation Enduring Freedom, or Operation Iraqi Freedom, provided that the unit commander of the service member certifies that such equipment was critical to the protection, safety, or health of the service member. The provision also stated that the type of protective, safety, or health equipment would include personal body armor, collective armor or protective equipment (including armor or protective equipment for high mobility multi-purpose wheeled vehicles), and items provided through the Rapid Fielding Initiative of the Army such as the advanced (on-the-move) hydration system, the advanced combat helmet, the close combat optics system, a Global Positioning System (GPS) receiver, and a solder intercommunication device. Non-military equipment would be treated as protective, safety, and health equipment only if such equipment provides protection, safety, or health benefits, as the case may be, such as would be provided by equipment meeting military specifications. Reimbursement would be available for armor or protective equipment purchased for high mobility multi-purpose wheeled vehicles between September 11, 2001 and July 31,

2004, and for any other protective, safety, and health equipment purchased between September 11, 2001 and December 31, 2003 or any date thereafter as determined by the Secretary. The provision would further establish a limit on the amount of reimbursement, and provide authority for the Secretary to assume title or ownership of any protective, safety, or health equipment for which a service member was reimbursed.

The House recedes with an amendment that would direct the Secretary to reimburse service members who purchased, or had another person purchase on their behalf, any protective, safety, or health equipment for use while deployed in connection with Operation Noble Eagle, Operation Enduring Freedom, or Operation Iraqi Freedom, provided that: (1) the Secretary certifies that the equipment was critical to the protection, safety, and health of the service member; (2) the equipment was not issued to the service member before the service member was on duty in an area in which the service member was in imminent danger of being exposed to hostile fire; and (3) the equipment was purchased between September 11, 2001 and July 31, 2004. The amendment would also limit the amount of reimbursement to \$1,100 per item, establish a one-year period for the submission of claims for reimbursement, and direct the Secretary to establish rules not later than 120 days after date of enactment of this Act to expedite reimbursements, to include addressing circumstances under which the United States will assume title or ownership of any protective, safety, or health equipment for which a service member was reimbursed.

The conferees direct the Secretary to consult with the appropriate chain of command to ensure all criteria for reimbursement are attained. The conferees also note that the type of protective, safety, or health equipment for which a reimbursement is made may include personal body armor, collective armor or protective equipment (including armor or protective equipment for high mobility multi-purpose wheeled vehicles), and items provided through the Rapid Fielding Initiative of the Army such as the advanced (on-the-move) hydration system, the advanced combat helmet, the close combat optics system, a Global Positioning System (GPS) receiver, and a solder intercommunication device. Non-military equipment for which a reimbursement could be made should be treated as protective, safety, and health equipment only if such equipment provides protection, safety, or health benefits, as the case may be, such as would be provided by equipment meeting military specifications.

Limitation on preparation or implementation of Mid-Range Financial Improvement Plan pending report (sec. 352)

The House bill contained a provision (sec. 352) that would prohibit the Secretary of Defense from obligating operation and

maintenance funds to implement the Mid-Range Financial Improvement Plan until the Secretary provides to the Committees on Armed Services of the Senate and the House of Representatives an explanation of how the operation and maintenance funds are to be utilized in fiscal year 2005 and the estimated cost for this plan in future years.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would also require the Secretary to provide a written determination that the Department has developed an enterprise architecture and transition plan for its business systems that meets the requirements of section 2222 of title 10, United States Code (as added by section 332.

Pilot program to authorize Army working-capital funded facilities to engage in cooperative activities with non-Army entities (sec. 353)

The Senate amendment contained a provision (sec. 364) that would authorize Army industrial activities that operate under the working capital fund to enter into public-private partnerships with non-Army entities, and allow the proceeds to be retained by the entity engaged in the partnership.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize such contracts or cooperative arrangements, but would not direct that the facility involved retain the proceeds.

Transfer of excess Department of Defense personal property to assist firefighting agencies (sec. 354)

The House bill contained a provision (sec. 1079) that would amend section 2576b of title 10, United States Code, to modify the recipients of the Department of Defense excess personal property to assist rural firefighting agencies. The provision would require the Secretary of Defense to enter into an agreement with the Secretary of Agriculture to facilitate the reutilization of the Department's excess personal property by firefighting agencies in rural areas. The agreement between the Secretary of Defense and Secretary of Agriculture would include a prohibition on the transfer of the Department's aircraft until the end of a one-year period beginning on the date that the Secretary of Agriculture submits a report to the House Committee on Agriculture, the Senate Committee on Agriculture, Nutrition and Forestry, and the Committee on Armed Services of the Senate and the House of Representatives on the measures taken by the U.S. Forest Service in response to National Transportation Safety Board Recommendations A-04-29 through A-04-33. The provision would also require that personal property being transferred for reutilization by firefighting agencies in rural areas be afforded

a property disposal priority at least equal to the priority given to the military departments and other entities within the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend section 2576b of title 10, United States Code, to direct the Secretary of Defense to transfer to a firefighting agency in a State any personal property of the Department that the Secretary determines is excess to the needs of the Department and suitable for use in providing fire and emergency medical services, including personal protective equipment and equipment for communications and monitoring.

Legislative Provisions Not Adopted

Amount for One Source military counseling and referral hotline

The Senate amendment contained a provision (sec. 304) that would authorize an increase of \$5.0 million for the Department of Defense One Source counseling and referral hotline.

The House bill contained no similar provision.

The Senate recedes.

Reduction in authorization for Air Force operations and maintenance

The House bill contained a provision (sec. 305) that would reduce the amount authorized to be appropriated to the Air Force by \$10.0 million, to be derived from the transportation working capital fund.

The Senate amendment contained no similar provision.

The House recedes.

Family Readiness Program of the National Guard

The Senate amendment contained a provision (sec. 313) that would increase the amount authorized to be appropriated in Operation and Maintenance, Army by \$10.0 million for the Family Readiness Program of the National Guard.

The House bill contained no similar provision.

The Senate recedes.

Payment of certain private cleanup costs in connection with Defense Environmental Restoration Program

The Senate amendment contained a provision (sec. 321) that would allow the Secretary of Defense to execute environmental restoration agreements with owners of covenant

properties.

The House bill contained no similar provision.

The Senate recedes.

Public-private competition pilot program

The House bill contained a provision (sec. 324) that would require the Secretary of Defense to establish a pilot program to examine the use of public-private competition process on new requirements and functions currently being performed by contractors that could be performed by civilian employees. Under the pilot program, the Secretary would be required to allow civilian employees to compete through the standard competitive process of Office of Management and Budget Circular A-76 for: (1) approximately one-tenth of the new requirements of the Department of Defense; and (2) functions currently being performed by a number of contractor employees that is approximately one-tenth of the number of civilian employees subject to public-private competition during the same period.

The Senate amendment contained a provision (sec. 852) that would require the Secretary to prescribe guidelines and procedures for ensuring that fair consideration is given to using federal government employees to perform new work and functions that are currently performed by contractors. The provision would provide that no public-private competition may be required before assigning government employees to perform new work or work that was previously performed by contractors.

The conference report does not include either provision.

The conferees believe that the Department's workforce of civilian employees is an important resource that the Department should fully utilize. The National Security Personnel System gives the Secretary broad authority to hire new civilian employees and to develop new competencies within the Department's civilian workforce. The conferees believe that Department of Defense managers must have flexibility not only to assign work to civilian employees, but also to build and structure the civilian workforce to perform appropriate tasks, free of artificial or unneeded regulatory constraints.

The conferees direct the Secretary to work with the Director of the Office of Management and Budget and other appropriate officials to ensure that the Department has the flexibility that it needs to assign work to its civilian workforce and to build needed capabilities in that workforce.

Establishment of joint program office to improve interoperability of battlefield management command and control systems

The House bill contained a provision (sec 333) that would establish a joint program office to improve interoperability of

battlefield management command and control systems.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the Department of Defense has struggled for many years to develop and field command, control, communications, computers, and intelligence, surveillance, and reconnaissance systems that interoperate effectively across all of the military services and with coalition forces. The conferees note that there are a number of current efforts throughout the Department to develop portions of a "Family of Interoperable Operating Pictures", including the Single Integrated Air Picture, the Single Integrated Ground Picture, the Single Integrated Maritime Picture, the Special Operations Forces Picture, and the Single Integrated Space Picture. The conferees are concerned that without proper management, oversight, and coordination, as well as a single over-arching architecture that controls all systems, these efforts could become redundant and wasteful, and lack the interoperability required to effectively support joint warfighting missions.

Therefore, the conferees direct the Secretary of Defense to provide to the congressional defense committees a report no later than March 15, 2005 that identifies all funds for research and procurement activities related to the development of joint battlefield management command and control systems in the Department.

This report shall also include baselines for the Family of Interoperable Pictures, including a baseline for the Single Integrated Air Picture, the Single Integrated Ground Picture, the Single Integrated Maritime Picture, the Special Operations Forces Picture, and the Single Integrated Space Picture. The baselines shall be consistent with those required for major defense acquisition programs under Department regulations, and shall include a description of the overall systems architecture, specific milestones and performance measures for each developmental block, the schedule for achieving those performance goals, the estimated total and annual costs to meet that schedule, and a description of the management approach being used to achieve program goals.

*Procurement of follow-on contracts for the operation of five
Champion-class T-5 tank vessels*

The House bill contained a provision (sec. 353) that would direct the Secretary of the Navy to consider proposals for the follow-on Department of the Navy contracts to operate five *Champion*-class T-5 tank vessels only from an entity that is a citizen under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802).

The Senate amendment contained no similar provision.

The House recedes.

Expansion of Department of Defense excess personal property disposal program to include health agencies

The House bill contained a provision (sec. 1080) that would amend section 2576b of title 10, United States Code, to authorize the Secretary of Defense to expand the Department of Defense excess personal property program to include State health agencies.

The Senate amendment contained no similar provision.

The House recedes.

TITLE IV-MILITARY PERSONNEL AUTHORIZATIONS

Legislative Provisions Adopted

Subtitle A-Active Forces

End strengths for active forces (sec. 401)

The House bill contained a provision (sec. 401) that would authorize the following end strengths for active forces as of September 30, 2005: Army, 482,400; Navy, 365,900; Marine Corps, 175,000; and Air Force, 359,700.

The Senate amendment contained a similar provision (sec. 401) that would authorize an active-duty end strength for the Army of 502,400, subject to the condition that costs of active-duty personnel of the Army in excess of 482,400 shall be paid out of funds authorized to be appropriated for fiscal year 2005 for a contingent emergency reserve fund or as an emergency supplemental appropriation.

The House recedes with an amendment that would authorize an end strength of 178,000 for the Marine Corps subject to the condition that costs in excess of 175,000 active-duty Marines shall be paid out of funds authorized to be appropriated for fiscal year 2005 for a contingent emergency reserve fund or as an emergency supplemental appropriation.

The conferees recommend end strength levels for active forces for fiscal year 2005 as set forth in the following table:

Service	FY2004 authorized	FY 2005		Change from	
		Request	Conferee recommendation	FY2005 request	FY2004 authorized
Army	482,400	482,400	502,400	20,000	20,000
Navy.....	373,800	365,900	365,900	0	-7,900
Marine Corps.....	175,000	175,000	178,000	3,000	3,000
Air Force.....	359,300	359,700	359,700	0	400
DoD Total.....	1,390,500	1,383,000	1,406,000	23,000	15,500

Revision in permanent active duty end strength minimum levels (sec. 402)

The House bill contained a provision (sec. 402) that would establish new minimum active-duty end strengths for the Navy of 365,900 and Air Force of 359,700 as of October 1, 2004.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish new minimum active-duty end strengths for the Army of 502,400 and the Marine Corps of 178,000.

Additional authority for increases of Army and Marine Corps active duty personnel end strengths for fiscal years 2005 through 2009 (sec. 403)

The House bill contained provisions (sec. 1531 and 1532) that would increase the active Army and Marine Corps end strength authorized for fiscal year 2005 by 10,000 and 3,000 respectively above the authorization in section 401 of the National Defense Authorization Act for Fiscal Year 2004. These provisions would also authorize corresponding active-duty Army and Marine Corps end strengths for fiscal years 2006 and 2007 and prescribe corresponding minimum end strengths under section 691(b) of title 10, United States Code.

The Senate amendment contained a provision (sec. 402) that would authorize a temporary increase in the Army's active-duty end strength of up to 30,000 during fiscal years 2005 through 2009. The provision would require that if the Secretary of Defense plans to increase the Army active-duty end strength above the levels authorized for fiscal year 2004, then the budget for the Department for such fiscal years as submitted to Congress shall specify the amounts necessary for funding the active duty end strength of the Army in excess of 482,400.

The House recedes with an amendment that would authorize a temporary increase in the Marine Corps' active-duty end strength of up to 9,000 over 175,000, the level set forth in section 401 of the National Defense Authorization Act for Fiscal Year 2004 during fiscal years 2005 through 2009. The amendment would also require that if the Secretary of Defense plans to increase the Army or Marine Corps active-duty end strength for a fiscal year, then the budget for the Department for such fiscal years as submitted to Congress shall specify the amounts necessary for funding the active duty end strength of the Army or Marine Corps in excess of 482,400 and 175,000 respectively.

Exclusion of service academy permanent and career professors from a limitation on certain officer grade strengths (sec. 404)

The Senate amendment contained a provision (sec. 403) that would amend section 523(b) of title 10, United States Code, to exclude up to 50 permanent professors at both the U.S. Military Academy and U.S. Air Force Academy, and up to 50 career military professors at the U.S. Naval Academy from the determination of authorized strengths in prescribed officer grades.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle B-Reserve Forces

End strengths for Selected Reserve (sec. 411)

The House bill contained a provision (sec. 411) that would authorize the following end strengths for Selected Reserve personnel, including the end strengths for Reserves on active duty in support of the Reserves as of September 30, 2005: the Army National Guard of the United States, 350,000; the Army Reserve, 205,000; the Naval Reserve, 83,400; the Marine Corps Reserve, 39,600; the Air National Guard of the United States, 106,800; the Air Force Reserve, 76,100; and the Coast Guard Reserve, 10,000.

The Senate amendment contained an identical provision (sec. 411).

The conference agreement includes this provision.

The conferees recommend end strength levels for the Selected Reserve for fiscal year 2005 as set forth in the following table:

Service	FY2004 authorized	FY 2005		Change from	
		Request	Conferee recommendation	FY2005 request	FY2004 authorized
Army National Guard.....	350,000	350,000	350,000	0	0
Army Reserve.....	205,000	205,000	205,000	0	0
Naval Reserve.....	85,900	83,400	83,400	0	-2,500
Marine Corps Reserve.....	39,600	39,600	39,600	0	0
Air National Guard.....	107,030	106,800	106,800	0	-230
Air Force Reserve.....	75,800	76,100	76,100	0	300
DoD Total.....	863,330	860,900	860,900	0	-2,430
Coast Guard Reserve.....	10,000	10,000	10,000	0	0

End strengths for Reserves on active duty in support of the Reserves (sec. 412)

The House bill contained a provision (sec. 412) that would authorize the following end strengths for Reserves on active duty in support of the Reserves as of September 30, 2005: the Army National Guard of the United States, 26,476; the Army Reserve, 14,970; the Naval Reserve, 14,152; the Marine Corps Reserve, 2,261; the Air National Guard of the United States, 12,225; and the Air Force Reserve, 1,900.

The Senate amendment contained a similar provision (sec. 412) that would authorize end strengths of 26,602 for the Army National Guard, 12,253 for the Air National Guard, and identical end strengths for the other services.

The House recedes.

The conferees recommend end strength levels for Reserves on active duty in support of the Reserves as set forth in the following table:

Service	FY2004 authorized	FY 2005		Change from	
		Request	Conferee recommendation	FY2005 request	FY2004 authorized
Army National Guard.....	25,599	26,476	26,602	126	1003
Army Reserve.....	14,374	14,970	14,970	0	596
Naval Reserve.....	14,384	14,152	14,152	0	-232
Marine Corps Reserve.....	2,261	2,261	2,261	0	0
Air National Guard.....	12,191	12,225	12,253	28	62
Air Force Reserve.....	1,660	1,900	1,900	0	240
DoD Total.....	70,469	71,984	72,138	154	1669

End strengths for military technicians (dual status) (sec. 413)

The House bill contained a provision (sec. 413) that would authorize the following end strengths for military technicians (dual status) as of September 30, 2005: the Army National Guard of the United States, 25,076; the Army Reserve, 7,299; the Air National Guard of the United States, 22,956; and the Air Force Reserve, 9,954.

The Senate amendment contained an identical provision (sec. 413).

The conference agreement includes this provision.

The conferees recommend end strength levels for military technicians (dual status) as set forth in the following table:

Service	FY2004 authorized	FY 2005		Change from	
		Request	Conferee recommendation	FY2005 request	FY2004 authorized
Army National Guard.....	24,589	25,076	25,076	0	487
Army Reserve.....	6,949	7,299	7,299	0	350
Air National Guard.....	22,806	22,956	22,956	0	150
Air Force Reserve.....	9,991	9,954	9,954	0	-37
DoD Total.....	64,335	65,285	65,285	0	950

Fiscal year 2005 limitation on number of non-dual status technicians (sec. 414)

The House bill contained a provision (sec. 414) that would establish the maximum end strengths for the Reserve components of the Army and Air Force for non-dual status technicians as of

September 30, 2005.

The Senate amendment contained an identical provision (sec. 414).

The conference agreement includes this provision.

Maximum number of Reserve personnel authorized to be on active duty for operational support (sec. 415)

The House bill contained a provision (sec. 403) that would authorize the maximum number of Reserve component personnel who may be on active duty or full-time National Guard duty under section 115(b) of title 10, United States Code, during fiscal year 2005 to provide operational support.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees recommend maximum levels by service for Reserve component personnel on full-time, active duty who are providing operational support as set forth in the following table:

Service	FY 2005 Conference Recommendation
Army National Guard.....	10,300
Army Reserve.....	5,000
Naval Reserve.....	6,200
Marine Corps Reserve.....	2,500
Air National Guard.....	10,100
Air Force Reserve.....	3,600
DoD Total.....	37,700

Accounting and management of Reserve component personnel performing active duty or full-time National Guard duty for operational support (sec. 416)

The House bill contained a provision (sec. 404) that would establish the requirement for an annual congressional authorization of the maximum number of Reserve component personnel to be on active duty or full-time National Guard duty providing operational support. This provision would eliminate the current 180-day strength accounting metric that requires all reservists on active duty beyond that limit to count against Active component end strengths. In its place, the section would authorize Reserve component members who are voluntarily on active duty for up to three years, or a cumulative three years over a four-year period, to not be counted against Active component end strengths. The section would also exempt Reserve component personnel, authorized by this section, from certain officer and enlisted grade limits.

The Senate amendment contained no similar provision.
The Senate recedes with a technical amendment.

Subtitle C-Authorization of Appropriations

Military personnel (sec. 421)

The House bill contained a provision (sec. 421) that would authorize a total of \$104,647.6 million for military personnel for the Department of Defense in fiscal year 2005.

The Senate amendment contained a similar provision (sec. 421) that would authorize a total of \$104,535.5 million for military personnel for the Department of Defense in fiscal year 2005. The Senate amendment also contained \$57.5 million in military personnel reductions in other titles of the amendment that were not reflected in the total contained in section 421. Therefore, the net amount authorized to be appropriated to the Department by the Senate amendment was \$104,478.0 millions.

The House recedes with an amendment that would authorize \$106,543.0 million for military personnel for the Department of Defense in fiscal year 2005, an increase of \$1,731.4 million above the budget request.

The conferees note that in addition to the amounts shown below, \$1,250.0 million was made available in title XV of this act for the additional costs of military personnel associated with ongoing operations in Iraq and Afghanistan. The conferees provide the following itemization of the increases from the budget request related to the military personnel accounts:

[Additions in millions]

Add AGR strength for WMD-CST teams	\$ 14.7
Imminent Danger Pay	92.5
Family Separation Allowance	135.0
Eliminate SBP-Social Security Offset (Accrual Payment)...	439.0
Enhanced Reserve Education Benefit (Accrual Payment).....	222.0
Additional military personnel costs	828.2
Total	1,731.4

Armed Forces Retirement Home (sec. 422)

The House bill contained a provision (sec. 422) that would authorize \$61.2 million to be appropriated for the operation of the Armed Forces Retirement Home during fiscal year 2005.

The Senate amendment contained an identical provision (sec. 422).

The conference agreement includes this provision.

TITLE V-MILITARY PERSONNEL POLICY

Items of Special Interest

Space cadre

The conferees appreciate the submission by the Secretary of Defense of the human capital resources strategy for space personnel, as required in section 547 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-87). The conferees note, however, that the strategy lacks a detailed implementation plan and direct the Secretary to develop such an implementation plan. The conferees further direct the Secretary of Defense to submit this plan and the Secretary of the Air Force to submit the detailed career planning guidance for the Air Force space cadre, consistent with direction in the Senate report accompanying S. 2400 (S. Rept. 108-260).

The conferees believe that a comprehensive view of the military space community must also consider competencies and skills embodied in academia and industry. These institutions have valuable tools, expertise, and a skill base that contribute to the military space community, as well as unique organizational cultures with which the military space cadre must interact. The conferees are concerned that the human capital resources strategy lacks breadth and depth with respect to the relationship of academia and industry to the development, education, and training of the space cadre.

The conferees direct the Secretary of Defense to provide the Committees on Armed Services of the Senate and the House of Representatives an interim report by March 15, 2005, and a full report concurrent with the Department of Defense fiscal year 2007 budget submission that: 1) assess the ability in academia, industry, and government to educate and train a community of space professionals, and 2) recommend corrective actions to address any shortfalls identified in these education and training activities. The reports should also address the definition and development of key competencies and skill levels in the areas of systems engineering, program management, financial management, operations and tactics, and any other areas deemed necessary by the Secretary of Defense as they relate to military space systems.

Time for holding grade of general, admiral, lieutenant general, or vice admiral

The conferees are aware of the legislative proposal affecting senior military officers in the grades of admiral, general, vice admiral, and lieutenant general. This proposal

would give authority to the Secretary of Defense to exempt senior officers in these grades who are on terminal leave from counting against applicable grade limits and would enable senior military officers, after Senate confirmation and upon the assumption of the duties of a position of importance and responsibility under section 601 of title 10, United States Code, to be promoted. It would repeal the authority to "frock" these officers, or allow them, in advance of their actual promotion to a higher grade, to wear the insignia of the higher rank of the position that they are assigned to. The conferees have long sought to limit the practice of frocking, but also have had concerns about continuing efforts by the Department to waive senior general and flag officer grade limits. The conferees believe this proposal would benefit from more time for consideration to better understand the implications of the changes in law contained in the informal legislative proposal. The conferees urge the Secretary of Defense to formally submit a legislative proposal for the conferees' consideration during the next defense authorization budget request.

Legislative Provisions Adopted

Subtitle A-Officer Personnel Policy

Transition of active-duty list officer force to a force of all regular officers (sec. 501)

The House bill contained a provision (sec. 511) that would authorize the Secretary of Defense to commission all new officer accessions as Regular officer and transition all officers on the active-duty list to regular status. The provision would implement the recommendation of the Defense Science Board Task Force on Human Resources Strategy that all new officers, regardless of their commissioning source, be given regular commissions in order to enhance professionalism, esprit de corps, and retention.

The Senate amendment contained a similar provision (sec. 511).

The House recedes with an amendment that would repeal the requirement that a member serve the last six years in a Reserve component before being eligible for nonregular service retirement.

Repeal of requirement that Deputy Chiefs and Assistant Chiefs of Naval Operations be selected from officers in the line of the Navy (sec. 502)

The House bill contained a provision (sec. 502) that would eliminate the requirement that officers serving in the positions of Deputy Chief of Naval Operations and Assistant Chief of Naval Operations be line officers. This provision would expand the pool of officers who may be considered for assignment in these highly responsible positions within the Office of the Chief of Naval Operations, to include officers of the Navy staff corps.

The Senate amendment contained an identical provision (sec. 512).

The conference agreement includes this provision.

Limitation on number of officers frocked to major general and rear admiral (sec. 503)

The Senate amendment contained a provision (sec. 514) that would provide that the total number of brigadier generals and rear admirals (lower half) on the active-duty list who are authorized to be frocked to the grade of major general or rear admiral (upper half) may not exceed 30.

The House bill contained no similar provision.

The House recedes.

Distribution in grade of Marine Corps Reserve officers in an active status in grades below brigadier general (sec. 504)

The House bill contained a provision (sec. 513) that would correct a technical discrepancy in the existing grade table for the Marine Corps Reserve that could unnecessarily limit the overall numbers of Marine Corps Reserve officers in an active status under section 12005 of title 10, United States Code.

The Senate amendment contained a similar provision (sec. 415).

The Senate recedes.

Authority for Federal recognition of National Guard commissioned officers appointed from former Coast Guard personnel (sec. 505)

The House bill contained a provision (sec. 588) that would make current and former officers and enlisted members of the U.S. Coast Guard, as well as graduates of the U.S. Coast Guard Academy, eligible for federal recognition after becoming commissioned officers of the National Guard.

The Senate amendment contained no similar provision.

The Senate recedes.

Study regarding promotion eligibility of retired officers recalled to active duty (sec. 506)

The Senate amendment contained a provision (sec. 515) that would require the Secretary of Defense to carry out a study to determine whether it would be equitable for retired warrant officers on active duty, but not on the active-duty list by reason of section 582(2) of title 10, United States Code, to be eligible for consideration for promotion under section 573 of such title. The Secretary would be required to submit a report on the results of the study not later than 180 days after the date of enactment of this Act.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would extend the scope of the study to include all retired officers.

Succession for office of Chief, National Guard Bureau (sec. 507)

The House bill contained a provision (sec. 507) that would establish a chain of succession when there is a vacancy in the Office of the Chief of the National Guard Bureau or in the event that the Chief is unable to perform the duties of the office. In such cases, the more senior officer of either the Army National Guard or of the Air National Guard on duty with the National Guard Bureau would assume responsibility as the Acting Chief.

The Senate amendment contained a similar provision (sec. 903).

The Senate recedes with a technical amendment.

Redesignation of Vice Chief of the National Guard Bureau as Director of the Joint Staff of the National Guard Bureau (sec. 508)

The House bill contained a provision (sec. 508) that would change the title of the Vice Chief of the National Guard Bureau to the Director of the Joint Staff of the National Guard Bureau.

The Senate amendment contained a similar provision (sec. 904).

The House recedes with a technical amendment.

Subtitle B-Reserve Component Policy Matters

Modification of stated purpose of the Reserve components (sec. 511)

The House bill contained a provision (sec. 521) that would clarify the purpose of the Reserve components. By eliminating statutory reference to planned mobilizations, the provision would more accurately reflect the operational mission, responsibilities, and contributions of National Guard and Reserve

members and the manner in which Reserve forces will be employed in the future.

The Senate amendment contained a similar provision (sec. 901).

The Senate recedes with a technical amendment.

Homeland defense activities conducted by the National Guard under authority of title 32 (sec. 512)

The House bill contained a provision (sec. 529) that would amend title 32, United States Code, to authorize the Secretary of Defense to provide funds to the governor of a State to employ National Guard units and personnel to conduct operational activities that the Secretary determines to be in the national interest. This provision would also establish a process by which the governor of a State may request funding from the Secretary for the operational activities of that State's National Guard.

The Senate amendment contained a similar provision (sec. 906).

The Senate recedes with an amendment that would authorize the Secretary to provide funds to a governor of a State to employ National Guard units or members to conduct homeland defense activities. Homeland defense activities include those undertaken for the military protection of the territory or domestic population of the United States, or of infrastructure or other assets of the United States determined by the Secretary as being critical to national security, from a threat or aggression against the United States. National Guard personnel could perform homeland defense activities under this provision for up to 180 days, which could be extended for an additional 90 days to meet extraordinary circumstances.

Commission on the National Guard and Reserves (sec. 513)

The Senate amendment contained a provision (sec. 902) that would establish a Commission on the National Guard and Reserves. The commission would study the roles and missions of the National Guard and Reserve and the compensation and other benefits that are provided to members of the Reserve components. Among the issues the commission would be required to assess are the following: (1) the current and future roles and missions of the Reserve components; (2) the capabilities of the Reserve components and the manner in which the Reserve components may be best used to support the military operations of the Armed Forces and the achievement of national security objectives, including homeland defense; (3) the current and future organization and structure of the National Guard and Reserve; (4) the organization and funding of training for the Reserve; and (5) options for improving compensation and benefits. The provision would also require the establishment of an independent review board in 2006,

following the termination of the commission, to annually review the roles and missions of the Reserve components and the compensation and other benefits provided for members of the Reserve components.

The House bill contained no similar provision

The House recedes with an amendment that would require an annual review by the Secretary of Defense of the roles and missions of the Reserve components and the compensation and benefits provided for members of the Reserve components beginning in fiscal year 2006.

Repeal of exclusion of active duty for training from authority to order Reserves to active duty (sec. 514)

The House bill contained a provision (sec. 522) that would authorize units and members of the Reserve components to be involuntarily mobilized for the purpose of training. This would provide the Department of Defense with improved access to Reserve component personnel during war or national emergency for the purpose of individual or collective skill training required to meet deployment standards and timelines for emergent missions or contingencies. The provision would also require that the time spent in such training be counted against the mobilization timelines that are established in law.

The Senate amendment contained a similar provision (sec. 521).

The House recedes with a technical amendment.

Army program for assignment of Active component advisers to units of the Selected Reserve (sec. 515)

The House bill contained a provision (sec. 530) that would reduce from 5,000 to 3,500 the minimum number of Army Active component advisers that are required to be assigned to support the training and readiness of Selected Reserve units of the Army. This provision would prohibit the Secretary of the Army from making any reductions in the numbers of Active component advisers until the Secretary reports, as required by March 31, 2005, to the Committees on Armed Services of the Senate and the House of Representatives on the support by the Active component of the Army for training and readiness of the Army National Guard and Army Reserve.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Authority to accept certain voluntary services (sec. 516)

The House bill contained a provision (sec. 1078) that would authorize the secretaries concerned to accept voluntary services to support programs of the National Committee for Employer

Support of the Guard and Reserve as authorized by the Secretary of Defense.

The Senate amendment contained no similar provision.

The Senate recesses.

Authority to redesignate the Naval Reserve as the Navy Reserve (sec. 517)

The Senate amendment contained a provision (sec. 905) that would authorize the Secretary of the Navy, with the approval of the President, to redesignate the Naval Reserve as the "Navy Reserve" effective 180 days after the date on which the Secretary submits recommended legislation.

The House bill contained no similar provision.

The House recesses with a technical amendment.

Comptroller General assessment of integration of Active and Reserve components of the Navy (sec. 518)

The House bill contained a provision (sec. 528) that would require the Comptroller General to review the Navy's implementation plans for the integration of the service's Active and Reserve components. This provision would require the Comptroller General to submit a report on the results of that assessment to the Committees on Armed Services of the Senate and the House of Representatives by March 31, 2005.

The Senate amendment contained no similar provision.

The Senate recesses with an amendment that eliminates the provision that would prohibit appropriated funds being made available for the decommissioning of any Naval Reserve or Marine Corps Reserve aviation squadrons until the report required by this section is completed.

Limitation on number of STARBASE academies in a State (sec. 519)

The House bill contained a provision (sec. 527) that would authorize the Secretary of Defense to support the establishment of more than two STARBASE academies in a State under criteria to be established by the Secretary.

The Senate amendment contained no similar provision.

The Senate recesses with a clarifying amendment that would provide that waivers granted by the Secretary for the establishment and operation of additional STARBASE academies in a State should be based on the availability of appropriated funds for that purpose.

The conferees believe that limiting the number of STARBASE academies eligible for Department of Defense financial support to two per State could lead to inequities, particularly in states with several military installations located in separate communities. The conferees urge the Secretary to develop

criteria for waivers that will appropriately balance increased program costs associated with establishment and operation of additional STARBASE academies with anticipated measurable gains in realizing the mission of the program.

Recognition items for certain Reserve component personnel (sec. 520)

The conferees agree to include a provision that would authorize the use of official funds by the Army National Guard, Air National Guard, and Army Reserve in order to recognize and retain Guardsmen and Reservists, family members, and other individuals who have served and supported members of the National Guard and Army Reserve. The provision would permit procurement of recognition items of nominal or modest value such as coins, medals, trophies, flags, posters, or other similar items that are valued at less than \$50 per item. The authorization would be effective as of November 24, 2003, and would expire on December 31, 2005.

Subtitle C-Reserve Component Personnel Matters

Status under disability retirement system for Reserve members released from active duty due to inability to perform within 30 days of call to active duty (sec. 521)

The House bill contained a provision (sec. 523) that would clarify that mobilized Reserve members who, within 30 days of being called to active duty, are unable to serve the full period for which they were mobilized due to pre-existing medical conditions, which were not aggravated while on active duty, may be separated. Such members would be considered as serving under an order to active duty for a period of 30 days or less.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Requirement for retention of Reserves on active duty to qualify for retired pay not applicable to nonregular service retirement system (sec. 522)

The House bill contained a provision (sec. 512) that would clarify that section 12686 of title 10, United States Code, does not require that reservists serving on active duty with over 18 years of reserve service be retained on active duty for the purpose of qualifying the member for reserve retirement.

The Senate amendment contained a similar provision (sec.

522).

The Senate recedes with a technical amendment.

Federal civil service military leave for Reserve and National Guard civilian technicians (sec. 523)

The House bill contained a provision (sec. 524) that would eliminate the restriction on the use of military leave specified in section 6323 of title 5, United States Code, during a war or national emergency declared by the President, for Reserve and National Guard civilian technicians who are federal employees.

The Senate amendment contained no similar provision.

The Senate recedes.

Expanded educational assistance authority for officers commissioned through ROTC program at military junior colleges (sec. 524)

The House bill contained a provision (sec. 525(a), (b), and (d)), that would allow commissioned officers who graduate from military junior colleges to receive additional financial assistance to complete their baccalaureate degree requirements. Individuals who participate in this program would be attached to a Senior Reserve Officers' Training Corps unit to ensure that they maintain their military training, bearing, and education as they complete their post-secondary education.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Repeal of sunset provision for financial assistance program for students not eligible for advanced training (sec. 525)

The House bill contained a provision (sec. 525(c)) that would repeal section 2103a(d) of title 10, United States Code. This section provided that after December 31, 2006 contracts by members of the Senior Reserve Officers' Training Corps program, under the authority of section 2103a, could no longer be entered into force.

The Senate amendment contained no similar provision.

The Senate recedes.

Effect of appointment or commission as officer on eligibility for selected Reserve education loan repayment program for enlisted members (sec. 526)

The House bill contained a provision (sec. 526) that would authorize the Secretary of Defense to continue to repay educational loans for enlisted members in a Reserve component

after they are commissioned as officers, if the members continue to serve the period specified in the original loan repayment agreement.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Educational assistance for certain Reserve component members who perform active service (sec. 527)

The conferees agree to include a provision that would authorize a new educational assistance benefit for members of the reserve components who have been ordered to active service in support of a contingency operation or in response to a war or national emergency. The provision would be effective on or after September 11, 2001, and would authorize: (1) payment of 40 percent of the amount of basic educational assistance provided under section 3015 of title 38 for a member whose entitlement is based on completion of an obligated period of active duty of three years for reservists who perform active service for a period of 90 days to one year; (2) payment of 60 percent of the amount of basic educational assistance in the case of a member who performed active service for one continuous year but less than two continuous years; and (3) payment of 80 percent of the amount of basic educational assistance for those members who serve for two continuous years or more. The maximum number of months of educational assistance that would be permitted under this provision would be 36, or the equivalent thereof in part-time educational assistance. Eligible reservists would remain entitled to educational assistance under this provision while serving in the Selected Reserve, in the case of members who were ordered to active duty while serving in the Selected Reserve, or in the Ready Reserve, in the case of a member who was ordered to active duty while serving in the Ready Reserve other than the Selected Reserve.

Sense of Congress on guidance concerning treatment of employer-provided compensation and other benefits voluntarily provided to employees who are activated reservists (sec. 528)

The Senate amendment contained a provision (sec. 1075) that would express the sense of the Senate that the Internal Revenue Service should provide guidance consistent with the goal of promoting and ensuring the validity of differential pay arrangements, benefits payments, and contributions to retirement savings plans made by employers of reservists who have been called to active duty.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees note that employers of reservists called up

for active duty are required under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) to treat their reservist-employees as if they are on a leave of absence or furlough and are not required to pay their salaries. Many patriotic employers, however, have paid their reservist-employees who have been mobilized the difference between their military pay and their civilian salaries, and have allowed deductions from these differential payments for contributions to employer-provided retirement savings plans. The conferees believe that insufficient guidance exists for the tax status of these payments for both reservist-employees and employers under existing Internal Revenue Service regulations and that additional guidance should be provided.

Subtitle D-Joint Officer Management and Professional Military Education

Strategic plan to link joint officer development to overall missions and goals of Department of Defense (sec. 531)

The House bill contained a provision (sec. 531) that would require the Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, to develop a strategic plan for joint officer management and joint professional military education. This strategic plan would link future requirements for Active and Reserve military personnel, who are trained and educated in joint matters, to the resources required to develop those persons in terms of manpower, formal education, practical experience, and other requirements. Additionally, the strategic plan would identify the methods the Secretary would use to fulfill those requirements.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that, among other data elements, would call for assessment of emerging issues related to joint officer management, including problems stemming from linkage of qualification as a joint specialty officer to eligibility for promotion, expected rates of promotion, and prescribed tour lengths.

Improvement to professional military education in the Department of Defense (sec. 532)

The House bill contained a provision (sec. 541) that would establish a new chapter 107 in title 10, United States Code, consisting of eight new sections that would consolidate sections of law related to joint professional military education. The provision would define the term "joint professional military

education," as well as "intermediate" and "senior level" schools. It would require the secretaries of the military departments to use a written examination as a portion of the evaluation criteria in selecting officers for full-time attendance at intermediate level service schools and would require phasing of joint professional military education and student to faculty ratios. The provision would also require that the length of the principal course of instruction at the Joint Forces Staff College could not be less than 10 weeks.

The Senate amendment contained a provision (sec. 505) that would repeal the minimum period requirement for phase II joint professional military education in section 663 of title 10, United States Code.

The Senate recedes with an amendment that would reduce and consolidate the number of subjects that joint professional military education must include. The amendment would specify that the Chairman of the Joint Chiefs of Staff will advise and assist the Secretary of Defense in designating and certifying certain courses of instruction and would delete the requirement for a written examination as a portion of the evaluation criteria in selecting officers for full-time attendance at intermediate level service schools.

Although the conferees did not establish a statutory minimum length for the duration of the principal course of instruction offered at the primary resident campus of each intermediate level service school and each senior level service school, the conferees believe that such courses should consist of not less than 10 months of resident instruction, except in times of war or national emergency. The conferees will continue to review this matter with each of the military services as changes and modifications to such courses are proposed.

Joint requirements for promotion to flag or general officer grade (sec. 533)

The House bill contained a provision (sec. 532) that would extend from September 30, 2007 to September 30, 2008, the date after which an officer must be selected for the joint specialty before promotion to the grade of brigadier general or rear admiral (lower half). The provision would also eliminate the requirement that an officer serve in a joint assignment at least 180 days prior to the convening of a promotion board for selection to the grade of brigadier general or rear admiral (lower half).

The Senate amendment contained a provision (sec. 501) that would also eliminate the requirement for 180 days of service in a joint duty assignment before an officer may be considered for promotion to flag or general officer rank.

The Senate recedes.

Clarification of tours of duty qualifying as a joint duty assignment (sec. 534)

The House bill contained a provision (sec. 533) that would modify the definition of the term "tour of duty" in section 668(c) of title 10, United States Code, to allow officers to continue accumulating joint credit if they serve consecutive joint duty assignments, even if those assignments are not within the same organization.

The Senate amendment contained a similar provision (sec. 506).

The Senate recedes with an amendment that would insert the term "joint duty assignment list" in section 668 of title 10, United States Code.

Two-year extension of temporary standard for promotion policy objectives for joint officers (sec. 535)

The Senate amendment contained a provision (sec. 503) that would require the military departments to ensure that an adequate number of officers are eligible for promotion to brigadier general and rear admiral (lower half) to meet joint qualification requirements under section 619a of title 10, United States Code. The provision would also make permanent the temporary authority regarding promotion comparison standards for joint specialty officers under section 662 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with an amendment that would extend the temporary authority regarding promotion comparison standards for officers with the joint specialty under section 662 of title 10, United States Code, until December 27, 2006.

Two-year extension of authority to waive requirement that Reserve Chiefs and National Guard Directors have significant joint duty experience (sec. 536)

The House bill contained a provision (sec. 509) that would extend for two years, until December 31, 2006, the authority of the Secretary of Defense to waive the requirement that the chiefs of the Reserves and the directors of the Army and Air National Guard must have significant joint duty experience to be eligible for appointment. The provision would also require that the Secretary develop a plan to ensure that officers selected after December 31, 2006, to be the chiefs of the Reserves and the directors of the Army and Air National Guard, have significant joint duty experience in order to ensure a concerted effort to develop a system to eliminate the need for this waiver.

The Senate amendment contained a provision (sec. 513) that would extend the Secretary's waiver authority for one year.

The Senate recedes.

Subtitle E-Military Service Academies

Revision to conditions on service of officers as service academy superintendents (sec. 541)

The House bill contained a provision (sec. 557) that would repeal the requirement that the superintendents of the military service academies retire upon completion of their assignments. The provision would also require that an officer serve at least a three-year tour of duty as superintendent, and that if the officer is re-assigned before that period elapses, the secretary of the military department concerned must notify the Committees on Armed Services of the Senate and the House of Representatives of the reasons for the re-assignment.

The Senate amendment contained a provision (sec. 535) that would repeal the requirement under sections 8921 and 9333a of title 10, U.S. Code, that the Superintendent of the U.S. Air Force Academy retire upon termination of his or her assignment.

The Senate recedes with an amendment that would retain the requirement that the superintendents retire upon completion of their tours of duty. It would, however, authorize the Secretary of Defense to waive this requirement for good cause, and would require written notification to Congress of the President's intent to nominate a superintendent of a service academy for re-assignment.

Academic qualifications of the Dean of the Faculty of United States Air Force Academy (sec. 542)

The House bill contained a provision (sec. 559) that would require that a person selected to be the Dean of the Faculty at the U.S. Air Force Academy, who is not an officer on active duty, must be either a retired or former officer of the Armed Forces. Furthermore, the provision would prohibit the appointment or assignment of a person to be the Dean unless that person holds the highest academic degree in their academic field.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the requirement that the Dean of the Faculty at the U.S. Air Force Academy must be either a retired or former officer of the Armed Forces.

Board of Visitors of United States Air Force Academy (sec. 543)

The House bill contained a provision (sec. 560A) that would modify section 9355 of title 10, United States Code, to change

the composition of the Board of Visitors of the U.S. Air Force Academy. The provision would also prescribe: (1) procedures for when a member of the Board dies, resigns, or is absent from meetings; (2) four meetings of the Board and reports to Congress each year; and (3) candid and complete disclosure by the Secretary of the Air Force and the Superintendent of the Air Force Academy of all institutional problems.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would retain the current criteria in section 9355 of title 10, United States Code, for designation of U.S. Senators to serve on the Board of Visitors. The amendment would also modify the conditions for termination of board members who are members of Congress, assigning discretion to designating authorities to take appropriate action if Board of Visitors meetings are unattended without good cause. The amendment would further require semiannual reports from the Board of Visitors to Congress.

Appropriated funds for service academy athletic and recreational extracurricular programs to be treated in same manner as for military morale, welfare, and recreation programs (sec. 544)

The Senate amendment contained a provision (sec. 1005) that would authorize the service academies to treat funds appropriated for morale, welfare, and recreation athletics and extracurricular programs as non-appropriated funds in order to achieve uniform funding and management of those funds.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Codification of prohibition on imposition of certain charges and fees at the service academies (sec. 545)

The House bill contained a provision (sec. 558) that would codify section 553 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337). This provision would prohibit the imposition of charges or fees for tuition, room, or board for attendance by cadets and midshipmen at the service academies.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Subtitle F-Other Education and Training Matters

College First delayed enlistment program (sec. 551)

The House bill contained a provision (sec. 551) that would permanently authorize the Army College First Pilot Program, and

extend the authority to implement the program to the other service secretaries.

The Senate amendment contained a provision (sec. 531) that would extend for one year the duration of the Army's College First Pilot Program.

The Senate recedes with a technical amendment.

Senior Reserve Officer Training Corps and recruiter access at institutions of higher education (sec. 552)

The House bill contained a provision (sec. 596) that would: (1) require that military recruiters be given access to campuses and students at institutions of higher education that is at least equal in quality and scope to the access provided to any other employer; (2) require the Secretary of Defense to obtain an annual verification from colleges and universities which already support the Senior Reserve Officers' Training Corps (ROTC) program that they will continue to do so in the upcoming academic year; (3) specify that federal funding that is provided to an institution of higher education, or to an individual, to be available solely for student financial assistance is exempt from the stricture of section 983 of title 10, United States Code; and (4) add additional defense-related funding sources to include: the Department of Homeland Security, the Central Intelligence Agency, and the National Nuclear Security Administration of the Department of Energy, and would restore the funds of the Department of Transportation to the list of covered funds that potentially could be terminated if an institution is determined to prevent recruiter access or maintains anti-ROTC policies.

The Senate amendment contained two provisions (sec. 532 and 533) that would require colleges and universities to give equal treatment to military recruiters, and specify that federal funding for student financial assistance may be used for the purpose for which the funding is provided.

The Senate recedes with an amendment that would delete the requirement for the Secretary to obtain an annual verification from colleges and universities that they would continue to support Senior ROTC.

Tuition assistance for officers (sec. 553)

The House bill contained a provision (sec. 514) that would authorize the secretaries of the military departments to waive for Reserve component officers the two-year Active-Duty service obligation required as a condition for receipt of tuition assistance while on active duty. The provision would also allow an increase in tuition assistance authorized for Army officers in the Selected Reserve.

The Senate amendment contained no similar provision.

The Senate recedes.

Increased maximum period for leave of absence for pursuit of a program of education in a health care profession (sec. 554)

The House bill contained a provision (sec. 554) that extends from two to three years the educational leave of absence authorized for members of the Armed Forces in section 708 of title 10, United States Code.

The Senate amendment contained a provision (sec. 651) that would extend from two to three years the period of time that a military member may take educational leave of absence for a health profession education program.

The House recedes.

Eligibility of cadets and midshipmen for medical and dental care and disability benefits (sec. 555)

The House bill contained a provision (sec. 555) that would provide the capability to effectively respond to injuries and illness sustained during accession training by cadets and midshipmen. The provision would authorize service academy cadets and midshipmen to be eligible for disability evaluation and retirement under chapter 61 of title 10, United States Code, and cadets and midshipmen participating in the Senior Reserve Officers' Training Corps (ROTC) to be eligible for medical and dental care for injuries and illness sustained in the line of duty and not due to gross negligence or misconduct.

The Senate amendment contained a similar provision (sec. 717).

The House recedes with a technical amendment.

The conferees were greatly assisted by the Department of Defense's report on health and disability benefits for pre-accession training and education programs required by section 546 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107). This report proved essential in gaining an understanding of the origins of current law and the steps that are needed to be taken to ensure equitable treatment of cadets and midshipmen and their families.

The conferees urge the Department to continue to identify ways to improve the treatment of Senior ROTC cadets and midshipmen who have experienced illness or injury and whose continued participation in ROTC is jeopardized as a result. The conferees, for example, are aware that under current service regulations cadets in Army ROTC and midshipmen in Naval ROTC who become ill or who are injured through no fault of their own are involuntarily being placed on "leave of absence" and denied scholarship payments and monthly stipends, even when it is apparent that these cadets and midshipmen will recover fully and they continue to attend classes and participate fully in ROTC activities. The conferees urge the Department and the services to act expeditiously, but no later than April 1, 2005, to revise

Departmental regulations to achieve uniformity among the services in responding to medical conditions to avoid unnecessary hardships on ROTC cadets, midshipmen, and their families.

Transfer of authority to confer degrees upon graduates of the Community College of the Air Force (sec. 556)

The House bill contained a provision (sec. 552) that would authorize the Commander of the Air University to confer associate level academic degrees on graduates of the Community College of the Air Force. This change would align the Community College with all other Air University programs by ensuring that only the Commander of the Air University is responsible for conferring degrees.

The Senate amendment contained a similar provision (sec. 534).

The House recedes with a technical amendment.

Change in titles of leadership positions at the Naval Postgraduate School (sec. 557)

The House bill contained a provision (sec. 553) that would change the title of the Superintendent of the Naval Postgraduate School from Superintendent to President. This provision would also establish a new civilian position of Provost and Academic Dean, and revise the procedures to fill this position.

The Senate amendment contained a similar provision (sec. 913).

The House recedes with a technical amendment.

Subtitle G-Assistance to Local Educational Agencies for Defense Dependents Education

Continuation of impact aid assistance on behalf of dependents of certain members despite change in status of member (sec. 558)

The House bill contained a provision (sec. 590) that would temporarily adjust the process for computing the amount of funding provided by the Department of Education to certain local educational agencies heavily impacted by dependents of military personnel. The adjustment, limited to school year 2004-2005, would require that certain children continue to be counted as a child enrolled in school when computing the average daily attendance. Such children include those who attend the school but no longer live on a military base because both parents are deployed, or are children who temporarily reside in military base housing following the death of a military parent on active duty.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees (sec. 559)

The House bill contained a provision (sec. 595) that would provide \$50.0 million in Operation and Maintenance, Defense-wide activities, for assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.

The Senate amendment contained a similar provision (sec. 351) that would authorize \$30.0 million for assistance to local educational agencies.

The House recesses.

Impact aid for children with severe disabilities (sec. 560)

The Senate amendment contained a provision (sec. 352) that would authorize \$5.0 million in Operation and Maintenance, Defense-wide, for impact aid payments for children with disabilities under section 8003(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(d)), using the formula set forth in section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), for continuation of the Department of Defense's assistance program to local educational agencies that benefit dependents with severe disabilities.

The House bill contained no similar provision.

The House recesses.

Subtitle H-Medals and Decorations and Special Promotions and Appointments

Award of medal of honor to individual interred in the Tomb of the Unknowns as representative of casualties of a war (sec. 561)

The Senate amendment contained a provision (sec. 541) that would clarify that the posthumous award of a medal of honor to the deceased member of the Armed Forces who is interred in the Tomb of the Unknowns at Arlington National Cemetery is awarded to that member as a representative of the unknown members of the Armed Forces who died in such war or other armed conflict, and not to the individual personally.

The House bill contained no similar provision.

The House recesses.

Plan for revised criteria and eligibility requirements for award of combat infantryman badge and combat medical badge for service in Korea after July 28, 1953 (sec. 562)

The House bill contained a provision (sec. 565) that would revise the criteria and eligibility requirements for award of the combat infantry badge and combat medical badge to Army personnel for service in the Republic of Korea after July 28, 1953.

The Senate amendment contained a provision (sec. 543) that would require the Secretary of the Army to submit a plan not later than 90 days after the date of enactment of this Act for the revision of the criteria and eligibility requirements for these badges for service in Korea.

The House recedes.

The conferees note that the mutual purpose of the House and Senate provisions is to ensure modification of the eligibility requirements, which over time have become inequitable for soldiers who are serving or have served in Korea. The Commander, U.S. Forces Korea, has expressed his support for this initiative. The conferees expect the Secretary to promptly and equitably revise the criteria for the award of the combat infantryman and combat medical badges, and act upon applications from veterans of Korea service who qualify for these awards.

Authority to appoint Brigadier General Charles E. Yeager, United States Air Force (retired), to the grade of major general on the retired list (sec. 563)

The House bill contained a provision (sec. 563) that would authorize the President, by and with the advice and consent of the Senate, to appoint Brigadier General Charles E. Yeager U. S. Air Force (retired), to the grade of major general on the retired list of the U.S. Air Force.

The Senate amendment contained no similar provision.

The Senate recedes.

Posthumous commission of William Mitchell in the grade of major general in the Army (sec. 564)

The House bill contained a provision (sec. 564) that would authorize the President, by and with the advice and consent of the Senate, to issue a posthumous commission in the grade of major general in the Army to William Mitchell, formerly a colonel in the U.S. Army. A commission issued under this authority would become effective as of the date of the death of William Mitchell on February 19, 1936.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle I-Military Voting

Federal write-in ballots for absentee military voters located in

the United States (sec. 566)

The Senate amendment contained a provision (sec. 572) that would amend section 1973ff of title 42, United States Code, to authorize military voters and their dependents, who are stationed in the United States but absent from their home states, to use federal write-in absentee ballots. Operational requirements and the mobility of military personnel may prevent them from receiving state-provided absentee ballots in the mail in time for an election. Allowing absentee military voters and their dependents to use the federal write-in ballots, even while stationed in the United States, would serve to remedy these problems.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Repeal of requirement to conduct electronic voting demonstration project for the federal election to be held in November 2004 (sec. 567)

The House bill contained a provision (sec. 592) that would repeal the requirement in section 1604 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107) for the Secretary of Defense to conduct a demonstration project to permit absentee uniformed service voters to cast their ballots through an electronic voting system.

The Senate amendment contained a provision (sec. 1065) that would authorize delay in carrying out an electronic voting demonstration project until November 2006.

The House recedes with an amendment that would delay the electronic voting demonstration project until the first regularly scheduled general election for federal office that occurs after the Election Assistance Commission notifies the Secretary that the commission has established electronic absentee voting guidelines and certifies that the commission will assist the Secretary in carrying out the project.

The conferees recognize the magnitude of the technical challenge associated with ensuring the security of electronic voting using the Internet. The Department of Defense's Secure Electronic Registration and Voting Experiment (SERVE) was an important prototype for electronic voting that should not be abandoned. The conferees encourage the Secretary to provide funding to the Election Assistance Commission and the National Institute of Standards and Technology to advance electronic absentee voting by U.S. voters located overseas and Uniformed Services voters.

Reports on operation of Federal Voting Assistance Program and military postal system (sec. 568)

The Senate amendment contained a provision (sec. 1026) that would require the Secretary of Defense to submit reports to Congress on: (1) the actions that the Secretary has taken to ensure that the Federal Voting Assistance Program functions effectively to support absentee voting; (2) the actions that the Secretary has taken to ensure that the military postal system functions effectively to support the morale of military members and their ability to vote by absentee ballot; and (3) the actions taken to implement the recommendations of the Military Postal Service Agency Task Force of August 28, 2000.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle J-Military Justice Matters

Review on how sexual offenses are covered by Uniform Code of Military Justice (sec. 571)

The House bill contained a provision (sec. 571) that would require the Secretary of Defense to review the Uniform Code of Military Justice and the Manual for Courts-Martial to determine what changes are required to improve the ability of the military justice system relating to sexual assault, and to conform the Code and the Manual more closely to other federal laws and regulations that address such issues. The Secretary is to report on the review to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2005. The report is to include the Secretary's recommendations for revisions to the Code.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees understand that the Department of Defense is already undertaking such a review. The conferees expect that the Department's legislative proposal for fiscal year 2006 will include any suggestions for revisions in the Code provisions dealing with sexual assault that are determined to be desirable.

Waiver of recoupment of time lost for confinement in connection with a trial (sec. 572)

The Senate amendment contained a provision (sec. 552) that would amend section 972 of title 10, United States Code, to require the Secretary concerned to waive time lost when a member is confined by military or civilian authorities for more than one day in connection with a trial, if the charge is thereafter dismissed, the trial results in an acquittal, a conviction is thereafter set aside (other than for clemency), or a judgment of acquittal or dismissal is entered upon a reversal of the conviction of on appeal.

The House bill contained a similar provision.
The House recedes.

*Processing of forensic evidence collection kits and acquisition
of sufficient stocks of such kits (sec. 573)*

The House bill contained a provision (sec. 306) that would require the Secretary of Defense to take steps to eliminate the current backlog in the processing of forensic evidence collection kits, to shorten the time period between the use of such kits and their processing, and to ensure that there is an adequate supply of rape kits for all domestic and overseas U.S. military installations.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to ensure that the United States Army Criminal Investigation Laboratory has the personnel and resources to effectively process forensic evidence used by the Department of Defense within 60 days of its receipt, and that military personnel are properly trained in the use of forensic evidence collection kits and in procedures to ensure protection of the chain of custody of the kits once used.

Authorities of the Judge Advocates General (sec. 574)

The Senate amendment contained a provision (sec. 915) that would amend the title 10, United States Code, provisions relating to the Judge Advocates General (TJAG) of the services and the General Counsels (GC) of the military departments to make the TJAGs the legal advisers of the service secretaries, the service chiefs and their staffs, and the offices and agencies of the military departments, provide for TJAG direction and supervision of judge advocates and of civilian attorneys outside the offices of the service general counsels, provide for the responsibilities of the TJAGs under the Uniform Code of Military Justice (UCMJ), provide for other duties as may be directed by the service secretaries, and provide that the TJAGs shall be appointed in the grade of lieutenant general or vice admiral, as appropriate.

The House bill contained no similar provision.

The House recedes with an amendment that would prohibit any officer or employee of the Department of Defense from interfering with the ability of the TJAGs to provide independent legal advice to their service secretaries and service chiefs, or of judge advocates assigned, attached, or performing duty with military units to provide such advice to commanders. The provision would also require the Secretary of Defense to appoint an independent panel to conduct a study of the relationships between the legal elements of each service and transmit the panel's recommendations as to statutory, regulatory, and policy changes which it believes to be desirable, together with the Secretary's comments, to the

Committees on Armed Services by May 1, 2005. The conferees expect that this panel will be truly independent, expert, and disinterested. They will examine the panel's findings and recommendations with care in the fiscal year 2006 authorization process.

The conferees note that this is the second time in 12 years that attempts to consolidate legal services in the Department of Defense have led to congressional action. In 1992, the Deputy Secretary of Defense issued a memorandum that would have moved substantially in the direction of centralization under the General Counsel of the Department of Defense. In response, the Senate version of the National Defense Authorization Act for Fiscal Year 1993 contained a provision directing that the memorandum be rescinded. After the memorandum was rescinded, the provision was dropped in conference.

In May 2003, the Secretary of the Air Force issued an order subordinating the Judge Advocate General to the General Counsel of the Department of the Air Force as her military deputy. The order also stated that the General Counsel had "full legal authority to . . . become involved in . . . any particular case or matter within the Department." Thereafter the General Counsel issued a draft operating instruction in which she asserted the right to exercise legal oversight and review over virtually every legal issue arising in the Department of the Air Force, including the field of military justice which is statutorily reserved to the TJAGs. The Air Force situation, while the most aggravated, is not unique.

Consistent with the legislative provision included in the conference report, the conferees direct the Secretary of the Air Force to rescind his order of May 15, 2003, "Functions and Duties of the General Counsel and the Judge Advocate General." The conferees further direct the General Counsel of the Department of the Air Force to rescind all internal operating instructions and memoranda issued in reliance on the Secretary's May 15, 2003, order.

Subtitle K-Sexual Assault in the Armed Forces

Examination of sexual assault in the Armed Forces by the defense task force established to examine sexual harassment and violence at the military service academies (sec. 576)

The House bill contained a provision (sec. 593) that would require the Secretary of Defense to expand the mission of the Task Force on Sexual Harassment and Violence at the Military Service Academies that was established in the National Defense Authorization Act for Fiscal year 2004 (Public Law 108-136).

Upon completion of its current work, the task force would be renamed the Defense Task Force on Sexual Assault in the Military Services and would be extended for at least 18 months. It would examine matters relating to sexual assault in the Armed Forces and would be required to report its findings and recommendations to the Secretary of Defense within 12 months of its initial meeting. The Secretary of Defense would be required to provide the report, together with an evaluation of it, to the Committees on Armed Services of the Senate and the House of Representatives, along with an assessment of the effectiveness of the corrective actions being taken by the Department of Defense and the military services as a result of various investigations and reviews into matters involving sexual assault.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment to expand the scope of the task force report to include: a report on the use of data relating to sexual assault by senior military and civilian leaders; development of measures of effectiveness for responding to victim needs by sexual assault programs; progress in developing means to investigate and prosecute assailants who are foreign nationals; the adequacy of Department resources supporting sexual assault prevention and victim advocacy programs, particularly for deployed units and personnel; training of military and civilian personnel responsible for implementation of sexual assault policies; and programs and policies, including those related to confidentiality, designed to encourage victims to seek services and report offenses.

The Senate amendment also would authorize the Secretary to change the composition of the Defense Task Force on Sexual Assault in the Military Services as appropriate, but remaining consistent with the qualifications required by section 526(f) of Public Law 108-136, and not before the task force established to examine sexual harassment and violence at the service military academies has completed its statutorily mandated functions.

The conferees intend to closely monitor the development and implementation of uniform policies and programs on sexual assault required elsewhere in this Act. Given the urgency of the need for effective action to prevent and resolve sexual assault offenses against military members, the conferees expect that the task force, re-designated as the Task Force on Sexual Assault in the Military Services, will provide an independent assessment of the effectiveness of policies and programs developed by the Department, as well as the success of the military services at all levels in achieving their implementation.

Department of Defense policy and procedures on prevention and response to sexual assaults involving members of the Armed Forces (sec. 577)

The House bill contained a provision (sec. 598) that would require the Department of Defense to promulgate a uniform Department of Defense policy for the prevention of and response to sexual assaults involving members of the Armed Forces, and would require service secretaries to prescribe regulations on policies and procedures to prevent and respond to sexual assaults involving members of the Armed Forces. The provision would also require the secretaries of the military departments to prescribe programs throughout each service designated for victim advocacy and intervention, both at home and in deployed locations, and provide an annual assessment of the implementation of sexual assault prevention policies and procedures during the preceeding year. Additionally, the provision would require the Secretary to develop a definition of sexual assault that is uniform for all the Armed Forces. The provision would require an annual report to Congress by the Secretary of Defense on the number of sexual assaults, rapes, and other sexual offenses involving military personnel; a synopsis of disciplinary action taken in substantiated cases; the policies and programs implemented by the Secretary to respond to sexual assault and violence against military members; and a plan for future actions to be taken.

The Senate amendment contained a similar provision (sec. 553).

The Senate recedes with an amendment that would clarify reporting requirements by the Secretary and service secretaries, and would require a definition of sexual assault that is uniform for all the Armed Forces.

Subtitle L-Management and Administrative Matters

Three-year extension of limitation on reductions of personnel of agencies responsible for review and correction of military records (sec. 581)

The House bill contained a provision (sec. 581) that would extend through September 30, 2008 the prohibition precluding the secretaries of the military departments from reducing the number of military and civilian personnel assigned to duty within the boards for correction of military records until 90 days after the secretary of the military department concerned submits a report to Congress that describes the proposed reduction, provides the rationale for the reduction, and specifies the number of personnel that will be assigned to the board after the reduction is complete.

The Senate amendment contained no similar provision.
The Senate recedes.

*Staffing for Defense Prisoner of War/Missing Personnel Office
(DPMO) (sec. 582)*

The House bill contained a provision (sec. 582) that would establish specific, permanent minimum levels of military and civilian personnel assigned to the Defense Prisoner of War/Missing Personnel Office (DPMO). The provision would require that the number of permanent positions and full-time Department of Defense personnel permanently assigned or detailed to the DPMO would not be less than 46 military members and 69 civilian employees of the Department.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify section 1501(a)(5) of title 10, United States Code, to provide that the number of military and civilian personnel, whether temporary or permanent, who are assigned or detailed to the DPMO may not be less than the number requested in the President's budget for fiscal year 2003. The conferees note that the budget request for fiscal year 2003 provided for 46 military personnel and 69 civilian personnel and included a budget request for \$16.0 million.

The Senate amendment would also require a study by the Government Accountability Office in order to provide a comprehensive examination of trends in staffing and funding levels of the DPMO compared to mission requirements and the Comptroller General's assessment of the adequacy of current manning and funding levels of the DPMO in light of current mission requirements.

*Permanent ID cards for retiree dependents age 75 and older
(sec. 583)*

The House bill contained a provision (sec. 583) that would require the service secretaries to issue permanent identification cards to dependents of military retirees and survivors of military retirees eligible for benefits for periods after the dependent or survivor attains age 75.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish the age for issuance of permanent military identification cards to dependents and survivors of military retirees at 75 years of age.

*Authority to provide civilian clothing to members traveling in
connection with medical evacuation (sec. 584)*

The House bill contained a provision (sec. 584) that would authorize the secretaries of the military departments to furnish members, who have been medically evacuated, civilian clothing at a cost not to exceed \$250 or to reimburse the member for the

purchase of civilian clothing in an amount not to exceed \$250.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to provide civilian clothing to members traveling in connection with medical evacuation. This authority is a continuation of the authority provided in section 1319 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11) and later in section 1103 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106).

Authority to accept donation of frequent traveler miles, credits, and tickets to facilitate rest and recuperation travel of deployed members of the Armed Forces and their families (sec. 585)

The House bill contained a provision (sec. 585) that would authorize the Secretary of Defense to accept the donation of frequent traveler miles, credits, and tickets for the purpose of facilitating the travel of members of the Armed Forces who are deployed away from their permanent duty station and are granted leave, to include rest and recuperative leave, emergency leave, convalescent leave, or another form of leave authorized for the member, and for facilitating the travel of family members to be reunited with such a member.

The Senate amendment contained a similar provision (sec. 653) that, in addition, would authorize the Secretary, in an exceptional case, to permit a person who is not a family member to use frequent traveler miles, credits, and tickets, if that person has a notably close relationship with the member. The Senate amendment also contained a provision that would authorize the Secretary to enter into an agreement with a nonprofit organization to assist in administering the collection, distribution, and use of donated frequent traveler miles, credits, and tickets.

The House recedes with an amendment that would eliminate a requirement that the Secretary encourage air and surface carriers to participate in the donation of frequent traveler miles, credits, and tickets. The amendment would also amend section 134 of the Internal Revenue Code of 1986 to exempt recipients of frequent traveler miles, credits, and tickets authorized in this Act from tax liability for receipt of such frequent traveler miles, credits, or tickets.

Annual report identifying reasons for discharges from the Armed Forces during preceding fiscal year (sec. 586)

The House bill contained a provision (sec. 587) that would require the Secretary of Defense to report annually to the

Committees on Armed Services of the Senate and the House of Representatives detailed information regarding the numbers of persons discharged from each of the military services in the preceding fiscal year.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would authorize the use of generic interservice separation codes providing similar, consistent data across the services in this report, and that would terminate the authority for this report after 1 March 2011.

Study of blended wing concept for the Air Force (sec. 587)

The House bill contained a provision (sec. 589) that would require the Secretary of the Air Force to submit by March 1, 2005 a report on matters related to the Air Force's current implementation of and future plans for blended wings to the Committees on Armed Services of the Senate and the House of Representatives.

The Senate amendment contained no similar provision.

The Senate recedes.

In describing the manner in which current blended wings are functioning, the conferees request the Secretary of the Air Force to comment on the efficacy of the provisions of section 516 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136). The Secretary should include recommendations for legislative changes, if needed, to ensure the ability of officers of the Army or Air National Guard, called to active duty for the purpose of commanding a unit composed of both active and Reserve component personnel, to successfully perform their duties.

Sense of Congress regarding return of members to active-duty service upon rehabilitation from service-related injuries (sec. 588)

The Senate amendment contained a provision (sec. 575) that would find that in cases involving combat-related injuries or other service-related injuries, it is possible, as a result of advances in technology and extensive rehabilitative services, to restore to members of the Armed Forces sustaining such injuries the capability to resume active military service, including, in a few cases, the capability to participate directly in the performance of combat missions.

The provision would express the sense of the Senate that members of the Armed Forces who, on their own initiative, are highly motivated to return to active-duty service following rehabilitation from injuries incurred in service of the Armed Forces should, after appropriate medical review and physical disability evaluation, be given the opportunity to present their

case for continuing service on active duty in varied military capacities. Additionally, the provision would express the sense of the Senate that there should be no barrier in policy or law to members having the option to return to military service on active duty, and that the Secretary of Defense should develop specific protocols that include options for such members to return to active-duty service and to be retrained to perform military missions for which they are fully capable.

The House bill contained no similar provision.

The House recedes with an amendment that would express a sense of Congress.

Subtitle M-Other Matters

Protection of Armed Forces personnel from retaliatory actions for communications made through the chain of command (sec. 591)

The Senate amendment contained a provision (sec. 1069) that would amend section 1034 of title 10, United States Code, to allow a protected communication to be made to any person in the chain of command of a member of the Armed Forces making such a communication, as well as any other person or organization designated by regulations or other procedures for such communications.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Implementation plan for accession of persons with specialized skills (sec. 592)

The Senate amendment contained a provision (sec. 571) that would authorize the service secretaries to establish an alternate minimum military service obligation for accession of persons into the Armed Forces who have unique skills. The provision would also authorize establishment of expedited basic training requirements for certain individuals in order to allow the Department of Defense to meet exigent mission requirements.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense, not later than 180 days after the date of enactment of this Act, to submit a plan for implementation of authority, if subsequently provided by law, to allow for accession into the Armed Forces of persons with specialized skills for duty involving the use of such skills. The Secretary would also be required to include a comparison of the plan submitted with an alternative plan of using civilian contractor personnel to meet the specialized skills required by the Armed Forces.

The conferees believe that there may be a valid requirement

for an alternate minimum military service obligation for certain individuals and for expedited basic training that would justify exceptions under sections 651 and 671 of title 10, United States Code. The Department has not sufficiently explained, however, the manner in which such new authorities would be used and the potential effects such exceptional treatment of new accessions could have on other special or lateral entry programs. The conferees expect the Department to use the report to address these concerns.

The provision would also require the Secretary to conduct a feasibility study of how to implement a system that would make civilian volunteers, with skills determined by the Secretary to be critical, rapidly available for use in, or in support of, units of the Armed Forces on a temporary basis to meet no-notice or short-notice operational requirements. The requirement to conduct this feasibility study was included in the House bill (sec. 597) and is appropriately submitted in the context of better evaluating expedited, short-term manpower needs of the military services.

The conferees suggest that coordinating the foregoing feasibility study with the separate report required elsewhere in this Act on acceptance of voluntary services under section 1588 of title 10, United States Code, could be useful.

Enhanced screening methods and process improvements for recruitment of home schooled and National Guard Challenge program GED recipients (sec. 593)

The House bill contained a provision (sec. 594) that would reestablish the pilot program under section 571 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261). This pilot program permitted participants in a National Guard Challenge Program who received a general education development (GED) certificate, and those who completed their high school requirements through a home schooling program to enlist in the Armed Forces as if they had received a high school diploma.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of the Army to carry out an initiative aimed at developing screening methods and process improvements for recruiting specified GED recipients. The purpose would be to achieve attrition patterns among the recruited recipients of a GED that match those of Army recruits who are high school diploma graduates and, following review by the Secretary of Defense, to implement such screening methods and process improvements on a test basis.

Redesignation of National Guard Challenge Program as National Guard Youth Challenge Program (sec. 594)

The Senate amendment contained a provision (sec. 573) that would change the name of the National Guard Challenge Program to the National Guard Youth Challenge Program. Additionally, the provision would phase in over three years an increase in the matching funds ratio to increase the amount of federal funds that may be provided to a State program.

The House bill contained no similar provision. The House recedes with an amendment that would redesignate the National Guard Challenge Program as the National Guard Youth Challenge Program.

The conferees were disappointed that the Secretary of Defense, in the report required by section 587 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), did not provide alternatives to the current matching funds structure for the National Guard Youth Challenge Program. The conferees believe that such alternatives would provide greater flexibility in the management of the program to better respond to temporary fiscal conditions.

The conferees direct the Comptroller General to conduct a study of the National Guard Youth Challenge program to determine the effects of current fiscal constraints at the State level on the operation of individual programs. The study should assess the Department of Defense's oversight of the program, the efforts of both the Department and the States to secure alternative and supplemental funding support for the programs, and the impact of changes to the existing 60-40 DOD-to-State matching funds ratio.

Reports on certain milestones relating to Department of Defense transformation (sec. 595)

The House bill contained a provision (sec. 597) that would require the Secretary of Defense to submit reports to the Committees on Armed Services of the Senate and the House of Representatives on implementation of transformational milestones identified by the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment to remove the requirement for a feasibility study on a civilian skill corps.

The conferees expect that a study on the feasibility of a civilian skill corps will be conducted under authority provided elsewhere in this Act concerning accession of persons with specialized skills.

With respect to military-to-civilian conversions in Navy medical and dental fields that are proposed for fiscal year 2005, the conferees are concerned that the specialties targeted for conversion are those most needed by military families, including pediatrics, family practice, and pharmacy. The conferees urge not only the Secretary of the Navy but also the secretaries of the other military departments to ensure that

plans for military-to-civilian conversions do not adversely affect the quality and access of military health care required by military families. The conferees direct the Secretary of Defense to provide a report to the Committees on Armed Services of the Senate and the House of Representatives not later than 90 days following enactment of this Act that describes the plans of each military department for military-to-civilian conversions of medical and dental personnel in fiscal year 2006.

Report on issues relating to removal of remains of persons interred in United States military cemeteries overseas (sec. 596)

The House bill contained a provision (sec. 599) that would authorize the Secretary of Defense, upon application of a qualifying survivor, to authorize disinterment and removal of the remains of military personnel interred in overseas military cemeteries.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of the Army, in consultation with the American Battle Monuments Commission (ABMC), to examine the history of the overseas cemeteries and the processes used to ensure that the initial disposition decision was carried out, together with a review and explanation of the existing policy and procedures regarding requests for disinterment and any exceptions that have been made. Additionally, the examination should include an analysis of potential reasons for justifying disinterment or remains from overseas cemeteries and the potential impact on the operation of U.S. overseas military cemeteries of permitting disinterment of remains from those cemeteries. Not later than September 30, 2005, the Secretary would be required to submit a report to the Committees on Armed Services of the Senate and the House of Representatives on the results of the examination, a description of the changes to policy that would be necessary to support a system for requesting and authorizing disinterment of remains, and the recommendations of the Secretary and the ABMC with respect to changes in policy and procedures with respect to such disinterments.

The conferees believe that a comprehensive examination and report on the history of the overseas military cemeteries and the reasons for the policy prohibiting disinterments is needed. Survivors of military veterans buried in the overseas military cemeteries must be assisted in every way possible in understanding the history of the overseas cemeteries and the reasons justifying the policy barring disinterments. The conferees express no opinion about this policy, however, to the extent that exceptions to the policy have been made or may be deemed warranted by the Secretary and the ABMC, survivors should have a clear understanding through the report that would be required by this provision of what burden of proof must be

satisfied.

*Comptroller General reports on closure of Department of Defense
Dependent Elementary and Secondary Schools and commissary stores
(sec. 597)*

The Senate amendment contained a provision (sec. 2845) that would require the Comptroller General of the United States to submit a report to the appropriate committees of Congress which includes an assessment of the policy and criteria utilized by the Department of Defense regarding the closure of schools and commissary stores, including whether or not such policy and criteria are consistent with policies and procedures on the preservation of the quality of life of members of the Armed Forces.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

*Comptroller General report on transition assistance programs for
members separating from the Armed Forces (sec. 598)*

The Senate amendment contained a provision (sec. 1029A) that would require the Comptroller General to carry out a study of the programs of the Department of Defense and other departments and agencies of the Federal Government, including the Department of Veterans Affairs, under which transition assistance is provided to personnel who are separating from active-duty service in the Armed Forces. The report would include an analysis of the extent to which transition assistance programs authorized under sections 1142 and 1144 of title 10, United States Code, are adequate to meet the needs of the Reserve components, as well as recommendations by the Comptroller General to improve the content and uniformity of pre-separation counseling. The provision would also include an analysis of pre- and post-deployment health screening, and programs that are in place to identify and treat post-traumatic stress disorder and related health conditions.

The House bill contained no similar provision.

The House recedes with an amendment to clarify that the Comptroller General report will include an assessment of the quality and thoroughness of information being provided during the pre-separation briefings conducted by the Department of Veterans Affairs.

*Study on coordination of job training standards with
certification standards for military occupational specialties
(sec. 599)*

The Senate amendment contained a provision (sec. 1029B) that would require the Secretary of Defense and the Secretary of Labor

to jointly carry out a study on ways to coordinate the standards applied by the Armed Forces for the training and certification of members of the Armed Forces in military occupational specialties with the standards that are applied to corresponding civilian occupations by governmental and private sector certification agencies.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Legislative Provisions Not Adopted

Length of service for service chiefs

The House bill contained a provision (sec. 501) that would authorize the President to extend the term of service of an officer serving as the Chief of Staff of the Army, the Chief of Naval Operations, the Commandant of the Marine Corps, or the Chief of Staff of the Air Force for a period of up to two years beyond the initial four-year appointment.

The Senate amendment contained no similar provision.

The House recedes.

Modification of conditions of eligibility for waiver of joint duty credit requirement for promotion to general or flag officer

The Senate amendment contained a provision (sec. 501) that would allow waivers of certain tour length requirements in cases in which an officer's proposed selection for promotion is based primarily upon a career field specialty, vice scientific and technical qualification, for which joint requirements do not exist. The provision would also eliminate the requirement that an officer serve in a joint duty assignment at least 180 days prior to the convening of a selection board for that officer to qualify for promotion to the rank of brigadier general or rear admiral (lower half).

The House bill had no similar provision regarding waivers of tour length requirements but a provision (sec. 532) that also repealed the requirement for 180 days service in a joint duty assignment before an officer may be considered for promotion to flag or general officer rank.

The Senate recedes.

Management of joint specialty officers

The Senate amendment contained a provision (sec. 502) that would provide that officers shall be designated as joint specialty officers upon successfully completing, in any sequence, a program accredited by the Chairman of the Joint Chiefs of Staff

that is offered by a joint professional military education institution and a full tour of duty in a joint duty assignment, or after completing two full tours of duty in joint duty assignments. This provision would also specify that general and flag officer positions identified as joint duty assignments must be filled by officers with joint specialty unless the Secretary of Defense determines that the assignment of officers without the joint specialty is necessary and waives the requirement.

The House bill contained no similar provision.

The Senate recedes.

Increase in age limit for deferral of mandatory retirement for up to 10 senior general and flag officers

The House bill contained a provision (sec. 503) that would increase from 64 to 66 the mandatory retirement age for senior general and flag officers whom the President had previously retained on active duty beyond the statutory limits on either time-in-grade or age.

The Senate amendment contained no similar provision.

The House recedes.

Increased flexibility for voluntary retirement for military officers

The House bill contained a provision (sec. 504) that would require officers serving in grades above colonel or captain in the Navy to serve a minimum of one year time-in-grade before being allowed to retire in that grade. Additionally, the provision would modify existing law to give the authority to the secretary of the military department concerned to approve retirement of officers in grades above major general or rear admiral in the Navy with the concurrence of the Secretary of Defense.

The Senate amendment contained no similar provision.

The House recedes.

Length of joint duty assignments

The Senate amendment contained a provision (sec. 504) that would prescribe certain conditions under which officers would qualify to receive full credit for joint duty. The provision would also allow the Secretary of Defense to waive the applicability of section 664 of title 10, United States Code, if the Secretary determines that it is in the national security interests of the United States to do so.

The House bill contained no similar provision.

The Senate recedes.

Repeal of requirement that no more than 50 percent of active duty general and flag officers be in grades above brigadier general and rear admiral (lower half)

The House bill contained a provision (sec. 505) that would repeal the limitation in section 525 of title 10, United States Code, that no more than 50 percent of general and flag officers in a military service on active duty can be in grades above brigadier general and rear admiral (lower half).

The Senate amendment contained no similar provision.

The House recedes.

Revision to terms for assistants to the Chairman of the Joint Chiefs of Staff for National Guard and Reserve matters

The House bill contained a provision (sec. 506) that would authorize the assistants to the Chairman of the Joint Chiefs of Staff for National Guard and Reserve matters to serve an initial term of four years.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of distribution requirements for Naval Reserve flag officers

The House bill contained a provision (sec. 510) that would amend section 12004(c) of title 10, United States Code, and repeal the existing distribution of flag officer billets for staff corps officers in the U.S. Naval Reserve.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the allocations for flag officer billets in section 12004(c) apply to the Medical Corps, Nurse Corps, Dental Corps, Judge Advocate General's Corps, Civil Engineer Corps, Supply Corps, Chaplain Corps, and Medical Service Corps of the U.S. Naval Reserve. At a time when the Naval Reserve is engaged in an ongoing zero-based review of Reserve component force structure and development of initiatives to improve the integration of the Active and Reserve components of the Navy, the conferees question the Department of Defense's position that flag officer allocations for these vital Naval Reserve staff corps communities should be totally eliminated in order to establish additional line and restricted line Naval Reserve flag officer billets. The conferees expect the Navy to provide the Committees on Armed Services of the Senate and the House of Representatives with additional information justifying modifications to existing allocations in section 12004(c) based on the results of its zero-based review.

Authority for Reserve officers to qualify as joint specialty officers

The House bill contained a provision (sec. 534) that would authorize the Secretary of Defense to award the joint specialty officer designation to Reserve officers who have met the prescribed requirements for such designation.

The Senate amendment contained no similar provision.

The House recedes.

The conferees strongly support the inclusion of Reserve officers in the Department of Defense planning and policies regarding designation, career development, and management of officers skilled in joint matters. The conferees anticipate that the report on the applicability of the term "joint specialty officer" to qualified reservists, required by the Senate report accompanying S. 2400 (S. Rept. 108-260), will be useful in identifying legislative and regulatory changes needed to accomplish this goal. Additionally, the conferees expect the strategic plan linking joint officer development to overall missions and goals of the Department to fully address Reserve officer matters.

Ribbons to recognize completion of joint professional military education

The House bill contained a provision (sec. 542) that would authorize the Secretary of Defense to award a military decoration to persons who have successfully completed joint professional military education phase I and to subsequently award a device to affix to the ribbon when a person has successfully completed joint professional military education phase II.

The Senate amendment contained no similar provision.

The House recedes.

Increase in number of private-sector civilians who may be enrolled for instruction at National Defense University

The House bill contained a provision (sec. 543) that would increase the maximum number of eligible private-sector employees who may receive instruction at the National Defense University from 10 to 20.

The Senate amendment contained no similar provision.

The House recedes.

Requirement for completion of phase I joint professional military education before promotion to colonel or Navy captain

The House bill contained a provision (sec. 544) that, with certain exceptions, would require that after September 30, 2007 officers on the active-duty list must complete joint professional

military education phase I or phase II before being appointed to the grade of colonel or captain in the Navy.

The Senate amendment contained no similar provision.

The House recedes.

Reduced blood alcohol content limit for offense of drunken operation of a vehicle, aircraft, or vessel

The Senate amendment contained a provision (sec. 551) that would amend Article 111 of the Uniform Code of Military Justice (10 U.S.C. 911) to lower the permissible blood alcohol concentration for the offense of drunken operation of a vehicle, aircraft, or vessel from the lesser of 0.10 grams or the limit prescribed in the State in which the offense occurred to the lesser of 0.08 grams or the limit prescribed in the State in which the offense occurred.

The House bill contained no similar provision.

The Senate recedes.

Prayer at military service academy activities

The House bill contained a provision (sec. 556) that would authorize the superintendent of a service academy to establish a policy with respect to the offering of a voluntary, nondenominational prayer at an authorized activity of the academy.

The Senate amendment contained no similar provision.

The House recedes.

Establishment of college financial assistance program for District of Columbia National Guard

The House bill contained a provision (sec. 560B) that would authorize the Department of Defense to provide financial assistance for college expenses, not to exceed \$2,500 for any academic year, to eligible members of the National Guard of the District of Columbia.

The Senate amendment contained no similar provision.

The House recedes.

Separate military campaign medals to recognize service in Operation Enduring Freedom and service in Operation Iraqi Freedom

The House bill contained a provision (sec. 561) that would require the President to establish separate campaign medals to recognize the service of members during Operation Enduring Freedom and Operation Iraqi Freedom.

The Senate amendment contained a similar provision (sec. 542).

This provision is not included in the conference report because it is unnecessary. On May 28, 2004, H.R. 3104, an Act to provide for the establishment of separate campaign medals to be awarded to members of the uniformed services who participate in Operation Enduring Freedom and Operation Iraqi Freedom, was enacted as Public Law 108-234.

Redesignation of inactive-duty training to encompass operational and other duties performed by Reserves while in inactive duty status

The Senate amendment contained a provision (sec. 561) that would redesignate the duty status applicable to members of the Reserve components of the Armed Forces known as "inactive duty training" as "inactive duty."

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge that the intent of the Department of Defense in requesting this statutory change is to more accurately reflect the current mission, capabilities, and actual utilization of the modern Reserve component. The conferees are concerned, however, that the full implications of this extensive change on the requirement for training and the priority to be given to training are not sufficiently defined or understood. The conferees urge the Department to demonstrate in its Reserve continuum of service and corresponding proposals for legislative change, its commitment to preserving periods of training in order to maintain readiness and core capabilities.

Eligibility of all uniformed services personnel for National Defense Service Medal

The House bill contained a provision (sec. 562) that would require the President to authorize the award of the National Defense Service Medal to members of the uniformed services.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of unnecessary duty status distinction for funeral honors duty

The Senate amendment contained a provision (sec. 562) that would repeal section 12503 of title 10, United States Code, relating to funeral honors duty. Section 12503, which authorizes treatment of funeral honors duty as inactive duty training, would have been unnecessary in conjunction with renaming of "inactive duty training" as "inactive duty."

The House bill contained no similar provision.

The Senate recedes.

Conforming amendments to other laws referring to inactive-duty training

The Senate amendment contained a provision (sec. 563) that would conform certain provision in titles 5 and 38, United States Code, with the proposed change of the term "inactive duty training" to "inactive duty."

The House bill contained no similar provision.

The Senate recedes.

Conforming amendments to other laws referring to funeral honors duty

The Senate amendment contained a provision (sec. 564) that would conform certain provisions in titles 5 and 38, United States Code, with the proposed change of the term "inactive duty training" to "inactive duty" as it would apply to funeral honors duty.

The House bill contained no similar provision.

The Senate recedes.

Army combat recognition ribbon

The House bill contained a provision (sec. 566) that would require the Secretary of the Army to establish a combat recognition ribbon to recognize participation by members of the Army in combat.

The Senate amendment contained no similar provision.

The House recedes.

Clarification of authority of military legal assistance counsel to provide military legal assistance without regard to licensing requirements

The House bill contained a provision (sec. 573) that would amend section 1044 of title 10, United States Code, to provide that a judge advocate or a civilian attorney authorized to provide military legal assistance may provide such assistance in any jurisdiction, notwithstanding any law regarding the licensing of attorneys and subject to regulations to be prescribed by the Secretary concerned.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that differing responses were received from the Department of Defense and the services as to the need for and advisability of such a change in law. Concerns were expressed as to the possible effect on judge advocates and federal civilian attorneys practicing outside the legal assistance area, if such a proposal is adopted. The conferees urge the Department to develop a unified position with regard to

the need for such a statutory change, and to submit a legislative proposal, if necessary.

Appearance of veterans service organizations at pre-separation counseling provided by the Department of Defense

The Senate amendment contained a provision (sec. 574) that would authorize the service secretaries to permit a representative from a veterans service organization to appear at and participate in pre-separation counseling for military members, authorized in section 1142 of title 10, United States Code. The provision would also authorize Reserve component units to meet with a veterans service organization upon release from active duty for the purpose of obtaining information and assistance.

The House bill contained no similar provision.

The Senate recedes.

The conferees expect that the matter of participation by representatives from veterans service organizations in pre-separation counseling for members in both Active and Reserve components will be addressed in the Comptroller General's report on transition assistance programs for members separating from the Armed Forces required elsewhere in this Act.

Limitation on amendment or cancellation of Department of Defense directive relating to reasonable access to military installations for certain personal commercial solicitation

The House bill contained a provision (sec. 586) that would prohibit the Secretary of Defense from cancelling or amending Department of Defense (DOD) Directive 1344.7, "Personal Commercial Solicitation on DOD Installations," for a period of one year after the Government Accountability Office (GAO) reports to Congress on the findings of an ongoing review of the financial allotment system and the treatment of insurance agents by military finance offices and local managers and commanders at Department of Defense installations.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the Statement of Managers accompanying the Department of Defense Appropriations Act for Fiscal Year 2005 (Public Law 108-287) prohibits the use of appropriated funds to amend or cancel DOD Directive 1344.7 until 90 days after the report of the results of the investigation regarding insurance premiums allotment processing is submitted.

In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), the conferees stated that the Department has taken appropriate steps to thoroughly consider and evaluate potential changes to personal commercial solicitation policies. The

conferees believe sufficient time has elapsed for the Department to complete its evaluation. The Secretary is directed to submit a report on the status of its plans to effect changes to personal commercial solicitation policies, including any recommended changes or revisions to DOD Directive 1344.7, to the Committees on Armed Services of the Senate and the House of Representatives by May 1, 2005.

Employment preferences for spouses of certain Department of Defense civilian employees subject to relocation agreements

The House bill contained a provision (sec. 591) that would expand the employment preference for spouses of Department of Defense civilian employees who have been assigned under a mandatory mobility agreement or similar mandatory mobility program. The authority would place spouses of civilian employees in an equivalent position to spouses of military members who already receive employment preferences.

The Senate amendment contained no similar provision.

The House recedes.

Demonstration program on expanded use of Reserves to perform developmental testing, new equipment training, and related activities

The Senate amendment contained a provision (sec. 862) that would authorize the Secretary of the Army to carry out a demonstration program through September 2009 on the assignment of members of Reserve components to perform test, evaluation, and related activities for acquisition programs.

The House bill contained no similar provision.

The Senate recedes.

Content of pre-separation counseling for personnel separating from active-duty service

The Senate amendment contained a provision (sec. 1029C) that would require that information on participation in Federal Government procurement opportunities be included in pre-separation counseling authorized by section 1142 of title 10, United States Code. The provision would also authorize the secretary concerned to provide pre-separation counseling at medical centers of the Department of Veterans Affairs and the Department of Defense with the consent of the member.

The House bill contained no similar provision.

The Senate recedes.

The conferees expect that this requirement will be included in the Comptroller General report on transition assistance programs for members separating from the Armed Forces required

elsewhere in this Act.

TITLE VI-COMPENSATION AND OTHER PERSONNEL BENEFITS

Legislative Provisions Adopted

Subtitle A-Pay and Allowances

Increase in basic pay for fiscal year 2005 (sec. 601)

The House bill contained a provision (sec. 601) that would specify the requirement for increased pay for members of the Armed Forces by 3.5 percent effective January 1, 2005, and waiver of the adjustment required by section 1009 of title 37, United States Code.

The Senate amendment contained no similar provision in view of the requirement regarding annual pay adjustment under section 1009(c)(2) of title 37, United States Code.

The Senate recedes.

Relationship between eligibility to receive supplemental subsistence allowance and eligibility to receive imminent danger pay, family separation allowance, and certain federal assistance (sec. 602)

The Senate amendment contained a provision (sec. 621) that would exclude the family separation allowance and special pay relating to duty subject to hostile fire or imminent danger from the calculation of household income for eligibility to receive the family supplemental subsistence allowance (FSSA). The provision would also exclude the amount of FSSA received by service members in determining the eligibility of their spouses and children for certain low income assistance programs, and require a report on the accessibility by members of the Armed Forces and their families to social services.

The House bill contained no similar provision.

The House recedes with a technical amendment that would eliminate the reporting requirement.

Authority to provide family separation basic allowance for housing (sec. 603)

The House bill contained a provision (sec. 602) that would extend permissive authority to service secretaries to decline to pay family separation housing allowances when, in the secretaries' discretion, members' circumstances do not justify

such payments.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees caution that it is not their intent that the service secretaries use the discretion provided in this provision to deny appropriate housing allowances to deserving service members and their families. The conferees intend that service members stationed worldwide should receive a family separation housing allowance in all cases when their families are prohibited from joining them at their current duty station and government-provided quarters are unavailable to the service members at their duty locations.

Geographic basis for housing allowance during short-assignment permanent changes of station for education or training (sec. 604)

The House bill contained a provision (sec. 603) that would authorize service members who attend professional military education or training lasting 12 months or less to elect to leave their families at their previous duty station and receive basic allowance for housing based on the area where their dependents reside.

The Senate amendment contained a similar provision (sec. 601).

The House recedes with a technical amendment.

Immediate lump-sum reimbursement for unusual nonrecurring expenses incurred for duty outside the continental United States (sec. 605)

The House bill contained a provision (sec. 604) that would authorize the service secretary concerned to pay service members serving outside the continental United States for certain unusual nonrecurring expenses.

The Senate amendment contained a similar provision (sec. 602).

The House recedes with a technical amendment.

Authority for certain members deployed in combat zones to receive limited advances on future basic pay (sec. 606)

The House bill contained a provision (sec. 606) that would authorize the secretary concerned to pay advances on future basic pay for service members assigned to locations where they would receive imminent danger pay and their assignment is pursuant to orders specifying an assignment of one year or more or the assignment is extended beyond one year.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would require the service member to repay the advance in equal monthly installments over a one-year period beginning the month after the advance is received.

Repeal of requirement that members entitled to basic allowance for subsistence pay subsistence charges while hospitalized (sec. 607)

The House bill contained a provision (sec. 661) that would repeal the requirement for officers and certain enlisted members to pay subsistence charges when they are hospitalized.

The Senate amendment contained a similar provision (sec. 711).

The Senate recedes with a technical amendment.

Subtitle B-Bonuses and Special and Incentive Pays

One-year extension of certain bonus and special pay authorities for Reserve forces (sec. 611)

The House bill contained a provision (sec. 611) that would extend the authority for various bonuses and special pays for Active and Reserve members.

The Senate amendment contained a provision (sec. 611) that would extend for one year the authority to pay the Selected Reserve reenlistment bonus, the Selected Reserve enlistment bonus, the special pay for enlisted members assigned to certain high priority units in the Selected Reserve, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, and the prior service enlistment bonus.

The House recedes.

One-year extension of certain bonus and special pay authorities for certain health care professionals (sec. 612)

The House bill contained a provision (sec. 611) that would extend the authority for various bonuses and special pays for Active and Reserve members, including certain health care professionals.

The Senate amendment contained a provision (sec. 612) that would extend for one year the authority to pay the nurse officer candidate accession bonus, the accession bonus for registered nurses, incentive special pay for nurse anesthetists, special pay for Selected Reserve health professionals in critically short wartime specialties, the accession bonus for dental officers,

and to repay education loans for certain Selected Reserve health professionals

The House recedes with an amendment that would also extend the authority to pay the accession bonus for pharmacy officers until December 31, 2005.

One-year extension of special pay and bonus authorities for nuclear officers (sec. 613)

The House bill contained a provision (sec. 611) that would extend the authority for various bonuses and special pays for Active and Reserve members, including nuclear officers.

The Senate amendment contained a provision (sec. 613) that would extend for one year the authority to pay the special pay for nuclear-qualified officers extending their period of active service, the nuclear career accession bonus, and the nuclear career annual incentive bonus.

The House recedes.

One-year extension of other bonus and special pay authorities (sec. 614)

The House bill contained a provision (sec. 611) that would extend the authority for various bonuses and special pays for Active and Reserve members.

The Senate amendment contained a provision (sec. 614) that would extend for one year the authority to pay the aviation officer retention bonus, assignment incentive pay, the reenlistment bonus for Active members, the enlistment bonus for Active members, the retention bonus for members with critical military skills, and the accession bonus for new officers in critical military skills.

The House recedes.

Authority to provide hazardous duty incentive pay to military firefighters (sec. 615)

The House bill contained a provision (sec. 620) that would authorize a new hazardous duty incentive pay of \$150 per month for members of the uniformed services who regularly perform duty as a member of a firefighting crew.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify section 301 of title 37, United States Code, to authorize incentive pay at a monthly rate not to exceed \$150 per month for any month during which a member performs duty involving regular participation as a firefighting crew member, as determined by the secretary concerned.

Reduced service obligation for nurses receiving nurse accession bonus (sec. 616)

The House bill contained a provision (sec. 612) that would reduce the service commitment required for the nurse accession bonus from four to three years of service.

The Senate amendment contained a similar amendment (sec. 615).

The House recedes with an amendment that the authority shall apply on or after the date of enactment of this Act.

Assignment incentive pay (sec. 617)

The House bill contained a provision (sec. 614) that would require termination of assignment incentive pay when the member is placed on terminal leave and will not be returning to the assignment location.

The Senate amendment contained a similar provision (sec. 616) that would also delete the requirement for a written agreement between the secretary concerned and the member.

The House recedes with a technical amendment.

The conferees believe that assignment incentive pay should be a highly flexible means of providing an incentive to members to volunteer for challenging assignments. In this regard, the conferees approve of the actions of the Department of Defense and the Department of the Army in supporting the Commander, U.S. Forces Korea, in aggressively using assignment incentive pay to provide stability and enhanced readiness for soldiers and units in the Republic of Korea.

The conferees also view assignment incentive pay as a responsive means for service secretaries, on a discretionary basis when mission accomplishment so requires, to appropriately compensate members who are called on to extend their service or tours of duty or otherwise serve in demanding assignments. The requirement for a written agreement under these circumstances is not required and should not be mandatory in all cases.

Modification of active and Reserve component reenlistment and enlistment bonus authorities (sec. 618)

The House bill contained a provision (sec. 615) that would consolidate Active and Reserve Component reenlistment and enlistment bonus authorities. The provision would repeal certain special pay provisions and also extend eligibility for the reenlistment bonus through 17 years of service and authorize the use of the reenlistment bonus during war and national emergency to address unit specific retention problems without regard to critical skill eligibility requirements.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize payment of an active-duty or Selected Reserve reenlistment bonus up to 16, vice 14, years of service and increase the maximum amount of the Selected Reserve reenlistment bonus from \$5,000 to \$15,000 for a reenlistment or extension of six years, from \$2500 to \$7,500 for a reenlistment or extension of three years, and from \$2,000 to \$6000 for a reenlistment or extension of three years when the member has received a bonus for a previous three year enlistment. The amendment would also authorize lump sum payments of the foregoing bonuses.

The amendment would increase the maximum amount of the Selected Reserve enlistment bonus from \$8,000 to \$10,000; increase the Ready Reserve enlistment bonus for persons without prior service from \$1,000 to \$3,000; and increase the maximum amount of the prior service Ready Reserve bonus from \$1500 to \$3000 for a six year enlistment and from \$750 to \$1500 for a three year enlistment. The amendment would authorize payment of the prior service enlistment bonus for the Selected Reserve for members who have not more than 16 years of total service. It would increase the maximum amount of the bonus from \$8,000 to \$15,000 for a six year enlistment, from \$4,000 to \$7,500 for a three year enlistment, and from \$3,500 to \$6,000 for a three year reenlistment or extension when the member has received a bonus for a previous three year enlistment.

Bonus for certain initial service of officers in the Selected Reserve (sec. 619)

The House bill contained a provision (sec. 618) that would modify section 324 of title 37, United States Code, to authorize Reserve component officers to be paid an accession of affiliation bonus using the same authority used to pay active-duty officers.

The Senate amendment contained a provision (sec. 620) that would authorize an affiliation or accession bonus of up to \$6,000 for certain commissioned officers in the Selected Reserve. The provision would help to access and affiliate officers in the Selected Reserve who possess or would train to acquire designated critical skills.

The House recedes with an amendment that would specify that a member entitled to a bonus under this provision who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.

Revision of authority to provide foreign language proficiency pay (sec. 620)

The House bill contained a provision (sec. 616) that would authorize the service secretary concerned to pay an annual bonus

of up to \$12,000 to members of the uniformed services who maintain proficiency in a foreign language.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the monthly rate for foreign language proficiency pay under section 316 of title 37, United States Code, to be determined by the secretary concerned but not to exceed \$1,000. Additionally, the amendment would authorize payment of a bonus of up to \$6,000 payable in a lump sum or installments for members of the Reserve component. The amendment would require that if a member of a Reserve component serving on active duty receives foreign language monthly special pay during any month for which the member receives a lump sum payment, the amount of the special pay paid to the member for the month shall be reduced by an amount equal to one-twelfth of the bonus amount.

Eligibility of enlisted members to qualify for critical skills retention bonus while serving on indefinite reenlistment (sec. 621)

The House bill contained a provision (sec. 617) that would allow Reserve component members to be paid the critical skills retention bonus under the authority of section 323 of title 37, United States Code. The provision would also extend eligibility for the bonus through 17 years of service and, clarify that enlisted members serving pursuant to an indefinite enlistment would be eligible under certain conditions for receipt of the bonus.

The Senate amendment contained a provision (sec. 618) that would authorize enlisted personnel serving on indefinite reenlistments in designated critical military skills to receive a critical skills retention bonus on the condition that they enter into a written agreement to remain on active duty for at least one year under such enlistments.

The House recedes with a technical amendment.

The conferees believe that initiatives to consolidate or extend bonus authorities in the absence of Department of Defense legislative proposals are premature. The Department has indicated that a Defense Advisory Committee on Military Compensation will be appointed by the Secretary of Defense to conduct a comprehensive review of military compensation from the perspective of both the Active and Reserve forces. This Advisory Committee on Military Compensation will perform a comprehensive review and strategic assessment of military pay and benefits with a view towards simplifying and balancing pays to maintain a competitive edge in recruiting and retention. Upon completion of its work, which is anticipated in the late summer of 2005, the advisory committee will publish its conclusions and recommendations and transmit those to the Secretary of Defense.

The conferees also expect that the Commission on National Guard and Reserves will contribute to a better informed resolution of questions about potential reform to title 37, United States Code.

Eligibility of Reserve component members for incentive bonus for conversion to military occupational specialty to ease personnel shortage (sec. 622)

The House bill contained a provision (sec. 619) that would allow Reserve component members to be paid bonuses for converting to, and serving for a period of not less than three years, in military occupational specialties for which there is a shortage of trained and qualified personnel.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would provide that a bonus under this provision may not exceed \$2,000.

Permanent increase in authorized amounts for imminent danger special pay and family separation allowance (sec. 623)

The House bill contained a provision (sec. 1533) that would make permanent the increase in the rate of imminent danger pay from \$150 per month to \$225 per month and the increase in the rate of family separation allowance from \$100 per month to \$250 per month.

The Senate amendment contained similar provisions (sec. 603 and 617).

The Senate recedes with a technical amendment.

Subtitle C-Travel and Transportation Allowances

Travel and transportation allowances for family members to attend burial ceremony or memorial service of member who dies on duty (sec. 631)

The House bill contained a provision (sec. 631) that would clarify that family members are authorized to travel at government expense to the burial site of a member who dies while on duty, and that the member's parents are always eligible to travel at government expense to attend the burial ceremony. The House bill included a \$2.0 million ceiling on expenditures in fiscal year 2005 for this purpose.

The Senate amendment included a similar provision (sec. 631), but did not include a ceiling on expenditures in fiscal

year 2005.

The House recedes with a clarifying amendment.

Transportation of family members incident to serious illness or injury of members of the uniformed services (sec. 632)

The House bill contained a provision (sec. 632) that would expand the number and categories of family members and other people that would be entitled to transportation at government expense, and would authorize such persons to receive a per diem or be reimbursed for travel expenses.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the number of family members authorized transportation and travel expenses to three, and would provide authority for the Secretary concerned to waive the limitation on the number of family members in circumstances determined to be appropriate.

Reimbursement for certain lodging costs incurred in connection with dependent student travel (sec. 633)

The House bill contained a provision (sec. 633) that would authorize the secretary concerned to reimburse a service member for lodging costs incurred by a dependent child traveling between the child's school and the member's overseas duty station when the lodging expenses are incurred for reasons beyond the control of the dependent child.

The Senate amendment contained a similar provision (sec. 632).

The House recedes with a technical amendment.

Subtitle D-Retired Pay and Survivor Benefits

Computation of high-36 month average for Reserve component members retired for disability while on active duty or dying while on active duty (sec. 641)

The Senate amendment contained a provision (sec. 641) that would modify the rules controlling the computation of retirement pay and survivor annuities for Reserve component members who are entitled to retired pay for physical disability under sections 1201 and 1202 of title 10, United States Code. The provision would permit more equitable treatment of these Reserve component members by calculating the average of monthly basic pay for purposes of pay and annuity payments as if they had been entitled

to basic pay for the 36 months preceding their retirement, regardless of whether the member served the entire period on active duty.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Repeal of phase-in of concurrent receipt of retired pay and veterans' disability compensation for military retirees with service-connected disabilities rated as 100 percent (sec. 642)

The Senate amendment contained a provision (sec. 643) that would modify section 1414 of title 10, United States Code, to repeal the requirement for phase-in of concurrent receipt of retired pay and veterans' disability compensation for military retirees with service-connected disabilities rated as 100 percent.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Death benefits enhancement (sec. 643)

The Senate amendment contained a provision (sec. 642) that would index the amount of the death gratuity payable under section 1478 of title 10, United States Code, to the average percentage of the increase in rates of basic pay taking effect each year. Additionally, the amendment would require the President to submit draft legislation to Congress that would increase the maximum benefit provided under Servicemembers' Group Life Insurance (SGLI) to \$350,000 and allow a minimum SGLI benefit of \$100,000 at no cost for members who elect the maximum coverage. The amendment would also establish an additional set of death benefits, retroactive to October 7, 2001, for survivors of members who die in the line of duty or as a result of hostile action consisting of the total amount of basic pay, allowances, and special pays a member would have received for one or two years respectively. The amendment would also require the budget for fiscal year 2006 to include funds for the implementation of the foregoing enhanced benefits.

The House bill contained no similar provision.

The House recedes with an amendment that would require the President, at the same time he transmits to Congress the budget for fiscal year 2006, to submit assessments and recommendations on legislation, including budgetary implications for the legislation described in the Senate amendment.

Phased elimination of two-tier annuity computation for surviving spouses under Survivor Benefit Plan (sec. 644)

The House bill contained a provision (sec. 641) that would phase in from October 2005 to March 2008 elimination of the Social Security offset under the Survivor Benefit Plan (SBP), and increase the annuities paid to survivors of military retirees who are 62 or older. The provision would also make corresponding adjustments to the SBP supplemental annuity program and require SBP annuities to be recalculated during October 2005, April 2006, April 2007, and April 2008.

The Senate amendment contained a similar provision (sec. 644) that would phase in from October 2005 to October 2014 elimination of the Social Security offset under the SBP.

The Senate recedes with an amendment that would eliminate the requirement that participating retirees continue to pay premiums for supplemental SBP coverage effective on the date of enactment of this Act. Retired members who choose supplemental SBP coverage during the open enrollment period, which would begin on October 1, 2005, would have their additional premium phased out from 2005 through 2008.

One-year open enrollment period for Survivor Benefit Plan commencing October 1, 2005 (sec. 645)

The House bill contained a provision (sec. 642) that would authorize an open enrollment period for retired members to participate in the Survivor Benefit Plan (SBP) or to increase the level of their participation if they were previously participating below the maximum allowed level. The provision would authorize the Secretary of Defense to require retirees who enroll to pay an additional premium not to exceed 4.5 percent of the retiree's base amount.

The Senate amendment contained a similar provision (sec. 645) that would authorize an open enrollment period similar to that authorized by section 642 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261). The open enrollment period under the Senate amendment would last for one year beginning on October 1, 2005. The premium would be calculated based on the total amount of the premiums, plus interest, by which members' retired pay would have been reduced if they had elected to participate in the SBP at the first opportunity that they had been afforded.

The House recedes with a clarifying amendment that would give eligible retirees during the open enrollment period the option of purchasing temporary supplemental SBP coverage that would be phased out by 2008 when the two-tier SBP system is terminated.

**Subtitle E-Commissary and Nonappropriated
Fund Instrumentality Benefits**

Consolidation and reorganization of legislative provisions regarding defense commissary system and exchanges and other morale, welfare, and recreation activities (sec. 651)

The House bill contained a provision (sec.651) that would consolidate and reorganize a wide range of sections from title 10, United States Code, and related laws concerning commissaries, exchanges and other morale, welfare, and recreation activities. The provision would define the commissary benefit; specify criteria for establishment, sizing, and closure of commissaries; and address other commissary management matters.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would define commissary and exchange systems, and clarify that the purpose of the systems is to enhance the quality of life of members of the uniformed services, retired members, and dependents of such members; and to support military readiness, recruitment, and retention. The amendment would require the designation of a senior official to oversee both systems and an executive governing body to ensure complimentary operations of both systems. The amendment would authorize the Secretary of Defense to consider the quality of life of the Reserve components whenever assessing whether to close a commissary store, and would clarify that the closure of a commissary store at an installation not closing under a base closure law would not take effect until 90 days after the Secretary notifies Congress of the reasons for such closure.

The amendment would authorize the Secretary to conduct a test program on the sale of telephone cards, film, and one-time use cameras. Within 90 days of the completion of one year of testing, the Secretary would report findings and recommendations to the Committees on Armed Services of the Senate and the House of Representatives. The amendment would require the report to include an analysis of the actual impact of the sale of such items on the exchange dividend and any recommendations for changes in legislation that may be necessary. The amendment would require the Comptroller General to conduct a study to evaluate the impact of the expansion of categories of merchandise authorized for sale in commissary stores and its impact on the exchange dividend.

The conferees expect that the oversight body established by this Act will include military members. The conferees also expect that for items procured from the exchange, any revenue above the commissary purchase price of other merchandise items, shall be accounted for and allocated as if it were a uniform sales price surcharge. Finally, the conferees expect the Secretary to maintain the decor, format, and product selection in military commissaries consistent with modern grocery store norms.

*Consistent State treatment of Department of Defense
Nonappropriated Fund Health Benefits Program (sec. 652)*

The House bill contained a provision (sec. 652) that would clarify that the Nonappropriated Fund Uniform Health Benefits Program of the Department of Defense is not subject to State, local and territorial taxes, fees, other monetary payment, or health plan mandates.

The Senate amendment contained a similar provision (sec. 1106).

The Senate recedes with a technical amendment.

Subtitle F-Other Matters

*Eligibility of members for reimbursement of expenses incurred for
adoption placements made by foreign governments (sec. 661)*

The Senate amendment contained a provision (sec. 652) that would amend section 1052(g) of title 10, United States Code, to include within the definition of "qualified adoption agency" a foreign government or an agency authorized by a foreign government to place children for adoption. Section 1052 authorizes reimbursement of expenses for certain members of the Armed Forces who adopt children. Although that statute includes intercountry adoptions, the definition of qualified adoption agency does not include either foreign governments or agencies authorized by such governments to place children. Otherwise eligible members who adopt children while on duty outside the United States have been forced to re-adopt them through a domestic agency upon their return to the United States in order to be reimbursed. The provision would authorize reimbursement of expenses for such intercountry adoptions, if the child is either eligible for automatic United States citizenship or has been issued a certificate of citizenship under the Immigration and Nationality Act.

The House bill contained no similar provision.

The House recedes.

The conferees expect that the Secretary of Defense will make the necessary adjustments, including extending the period allowed under regulations for filing for reimbursement, to accommodate members who are outside the United States on military orders.

*Clarification of education loans qualifying for education loan
repayment program for Reserve component health professions
officers (sec. 662)*

The House bill contained a provision (sec. 662) that would

clarify that college loans involving both a basic professional degree and graduate education would qualify for repayment under section 16302 of title 10, United States Code.

The Senate amendment contained a similar provision (sec. 619).

The Senate recesses.

Receipt of pay by reservists from civilian employers while on active duty in connection with a contingency operation (sec. 663)

The Senate amendment contained a provision (sec. 1068) that would modify section 209 of title 18, United States Code, to permit a member of the Reserves on active duty pursuant to a call or order to active duty to receive payment of any part of the salary or wages that a civilian employer would have paid if the reservist's employment had not been interrupted by the order to active duty.

The House bill contained no similar provision.

The House recesses.

Relief for mobilized reservists from certain federal agricultural loan obligations (sec. 664)

The Senate amendment contained a provision (sec. 655) that would authorize forgiveness of interest payments due under section 1981f of title 7, United States Code, while borrowers are mobilized military reservists. The provision would also authorize deferral of principal payments due while or after borrowers are mobilized reservists, and direct that borrowers who receive assistance under this provision would not be considered to be delinquent or receiving debt forgiveness for purpose of receiving direct or guaranteed loans under title 7, United States Code.

The House bill contained no similar provision.

The House recesses.

Survey and analysis of effect of extended and frequent mobilization of reservists for active-duty service on reservist income (sec. 665)

The House bill contained a provision (sec. 663) that would require the Secretary of Defense to conduct a detailed study of the loss of income by mobilized reservists who have served on active-duty in support of a contingency operation following September 11, 2001.

The Senate amendment contained no similar provision.

The Senate recesses with an amendment to ensure that all

sources of income are reported by the member in response to the survey.

The conferees believe that accurate information regarding loss of income is an important prerequisite to future congressional action, and acknowledge the need to better understand the impact of any such loss of income on members with skills in high demand for deployments.

Study of disability benefits for veterans of service in the Armed Forces with service-connected disabilities (sec. 666)

The conferees agree to a provision that would require the Secretary of Defense to conduct a study of the totality of all current and projected disability benefits that are available to disabled members and former members of the Armed Forces for service-connected disabilities. The study would compare the disability benefits for members of the Armed Forces with commercial and other private sector disability benefits plans, and identify the Department of Defense personnel policy changes needed to enhance the financial and nonfinancial benefits that are provided to members and former members of the Armed Forces for service-connected disabilities. The Secretary's report would include conclusions resulting from the study and recommended legislation to address the deficiencies in the system of Federal Government disability benefits for disabled members and former members of the Armed Forces.

The provision would require the Comptroller General to study the disability benefits that are available for employees of the Federal, State and local governments, especially those provided for disabilities incurred in the performance of jobs in which employees perform tasks with risks that are similar to the risks associated with military service.

Legislative Provisions Not Adopted

Income replacement payments for Reserves experiencing extended mobilization for active-duty service

The House bill contained a provision (sec. 605) that would require the Secretary of Defense to pay involuntarily mobilized Reserve members on a monthly basis the amount necessary to replace the difference in income between their regular military compensation plus special pays and allowances and the average monthly income received by the member during the 12 months preceding the month in which the member was mobilized. Payments would be limited to a minimum of \$50 each month and a maximum of \$3,000 each month.

The Senate amendment contained a provision (sec. 1110) that

would amend chapter 55 of title 5, United States Code, to require federal agencies to pay any difference between military and civilian compensation for federal employees who, as members of the uniformed services or National Guard, were called to active-duty service in support of a national emergency since October 11, 2002.

These provisions were not included in the conference report because funding was not appropriated for Reserve income replacement payments to either Reserve members or federal government agencies.

Increase in maximum monthly rate authorized for hardship duty pay

The House bill contained a provision (sec. 613) that would increase from \$300 to \$750 the maximum amount of special pay that may be paid to members performing duty designated by the Secretary of Defense as hardship duty under section 305 of title 37, United States Code.

The Senate amendment contained no similar provision.

The House recedes.

Source of funds for Survivor Benefit Plan annuities for Department of Defense beneficiaries over age 62

The House bill contained a provision (sec. 643) that would direct that the payments made into the Department of Defense Military Retirement Fund, which is funding the increases in this Act, to the cost of the Survivor Benefit Plan would be made directly by the Secretary of the Treasury.

The Senate amendment contained no similar provision.

The House recedes.

Cooperation and assistance for qualified scouting organizations serving dependents of members of the Armed Forces and civilian employees overseas

The House bill contained a provision (sec. 653) that would require that professional staff supporting both the Boy Scouts of America and the Girl Scouts of the United States of America in overseas areas be made non-appropriated fund employees of the United States and would clarify that appropriated funds may be used to pay the costs of the employees.

The Senate amendment contained no similar provision.

The House recedes.

Child care for children of members of Armed Forces on active duty for Operation Enduring Freedom or Operation Iraqi Freedom

The Senate amendment (sec. 654) would authorize the Secretary of Defense to provide funds, to the extent that funds

are available for such purpose, to secure access to child care at State licensed child care and development programs in the private sector for members serving in Operation Enduring Freedom and Operation Iraqi Freedom, who are geographically disbursed and do not have practical access to a military child development center.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge that the Department of Defense has authority under section 1798 of title 10, United States Code, to subsidize the cost of child and youth services in the private sector, and has initiated programs to provide affordable, quality child care and youth service options for families of activated Guard and Reserve members. Such initiatives include partnerships with civilian child care referral agencies, and the Department of Defense Military One Source referral services available to all members.

TITLE VII-HEALTH CARE PROVISIONS

Subtitle A-Enhanced Benefits for Reserves

TRICARE coverage for members of Reserve components who commit to continued service in the Selected Reserve after release from active duty (sec. 701)

The Senate amendment contained a provision (sec. 706) that would authorize TRICARE coverage for each member of the Ready Reserve while in a non-active duty status. The provision would authorize the same benefits for members of the Reserve components as a member on active duty or a dependent of an active-duty member, based on a premium payment by the member. The amount of the monthly premium required of the member would be 28 percent of the total amount determined by the Secretary of Defense as being reasonable for the TRICARE coverage. TRICARE coverage for Reserves in a non-active duty status would commence following expiration of transitional health care benefits authorized in section 1145, title 10, United States Code. The amendment would not extend TRICARE eligibility to federal employees entitled to Federal Employee Health Benefits Plan coverage under chapter 89 of title 5, United States Code.

The House bill contained no similar provision.

The House recedes with an amendment to authorize TRICARE coverage for Reserves in a non-active duty status for members of Reserve components called or ordered to active duty on or after September 11, 2001 in support of a contingency operation, and who commit to continued service in the Selected Reserve after release from active duty. For each period of 90 consecutive days of extended active-duty service, the Reserve member would be entitled to one year of TRICARE coverage while in a non-active duty status under the TRICARE Standard option. The amendment would authorize one year of coverage for a member who is otherwise eligible but does not serve continuously on active duty for 90 days because of an injury, illness, or disease incurred or aggravated while deployed. The amendment would also require payment of a premium by the Reserve member equal to 28 percent of the total amount determined by the Secretary as being reasonable for TRICARE coverage, and execution by the member of a service agreement. The amendment would be in effect within 180 days of enactment of this Act, and would require the Secretary to take all necessary actions to ensure that members eligible for TRICARE coverage receive information on the opportunity to enter into such an agreement.

Comptroller General report on the cost and feasibility of providing private health insurance stipends for members of the

Ready Reserves (sec. 702)

The House bill contained a provision (sec. 702) that would require the Comptroller General to conduct a study on the cost and feasibility of providing a stipend to members of the Ready Reserves to offset the cost of continuing private health insurance when the member is on active duty for more than 30 days.

The Senate amendment contained no similar provision.
The Senate recedes.

Permanent earlier eligibility date for TRICARE benefits for members of Reserve components and their dependents (sec. 703)

The House bill contained a provision (sec. 703) that would make permanent the temporary authority for dependents of Reserve component members to obtain TRICARE benefits up to 90 days before the date on which the member's period of active duty is to begin.

The Senate amendment contained a similar provision (sec. 702).

The House recedes with a technical amendment.

Waiver of certain deductibles under TRICARE program for members on active duty for a period of more than 30 days (sec. 704)

The House bill contained a provision (sec. 704) that would authorize the waiver of certain deductibles required by certain TRICARE programs for dependents of certain Reserve component members who are called or ordered to active duty for a period of more than 30 days.

The Senate amendment contained a similar provision (sec. 703).

The House recedes with a technical amendment.

Authority for payment by United States of additional amounts billed by health care providers to activated Reserves (sec. 705)

The House bill contained a provision (sec. 705) that would protect a dependent of a member of a Reserve component who is ordered to active duty for a period of more than 30 days in support of a contingency operation from paying a health care provider any amount above the TRICARE maximum allowable charge.

The Senate amendment contained a similar provision (sec. 704).

The House recedes with a technical amendment.

Permanent extension of transitional health care benefits and addition of requirement for pre-separation physical examination (sec. 706)

The House bill contained a provision (sec. 706) that would make permanent the authority to provide Transition Assistance Medical Program benefits to service members and their dependents for up to 180 days following separation from active duty. The provision would require that eligibility for transition benefits would cease prior to the 180-day limit if the beneficiaries acquire employer-provided insurance. The provision would also limit outlays provided after January 1, 2005, to not more than \$170.0 million.

The Senate amendment included a provision (sec. 705) that would make permanent the authority to provide transition benefits for 180 days following separation from active duty for certain Active and Reserve members. The provision would require that as part of such transitional health care coverage, each member shall undergo a comprehensive physical examination before separating from active-duty service.

The House recedes with an amendment that would authorize the Secretary of Defense to prescribe in regulations the content of the physical provided to each member immediately before separation. The amendment would also authorize a waiver of the requirement for a physical examination if a member has undergone a physical examination within 12 months before the scheduled date of separation, and would require that a waiver may be granted only with the consent of the member and the member's unit commander.

Subtitle B-Other Benefits Improvements

Opportunity for young child dependent of deceased member to become eligible for enrollment in a TRICARE dental plan
(sec. 711)

The House bill contained a provision (sec. 711) that would permit certain young children, who are dependents of service members who die while on active duty, to enroll in the TRICARE dental insurance program, regardless of the dependent's dental plan enrollment status on the date of the service member's death. Many young children, due to their age, are not enrolled in the TRICARE dental plan.

The Senate amendment contained a similar provision (sec. 712).

The House recedes.

Comptroller General report on provision of health, education, and support services for Exceptional Family Member Program enrollees
(sec. 712)

The House bill contained a provision (sec. 712) that would require the Comptroller General to evaluate the effect of the

Exceptional Family Member Program on health and support services in selected civilian communities near military installations with a high concentration of Exceptional Family Member Program enrollees, and to submit a report to the Committees on Armed Services of the Senate and the House of Representatives no later than March 31, 2005.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include in the Comptroller General's assessment an evaluation of education services, including early childhood intervention and special education services required by Exceptional Family Member Program enrollees. The amendment would also require the report to be submitted no later than one year after the date of enactment of this Act. The conferees specifically request that the report include an assessment of the services available for family members with autism.

Continuation of sub-acute care for transition period (sec. 713)

The House bill contained a provision (sec. 714) that would allow the Secretary of Defense to extend previous benefits for part-time or intermittent home health care after the transition to new managed care contracts that result in a change of benefits.

The Senate amendment contained a similar provision (sec. 718).

The House recedes.

Improvements to pharmacy benefits program (sec. 714)

The House bill contained a provision (sec. 715) that would prohibit the prescription drug cost-sharing requirements for Medicare-eligible TRICARE beneficiaries from being in excess of the cost-sharing requirements applicable to non-Medicare-eligible beneficiaries.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary of Defense to consider additional determinations by the Department of Defense Pharmacy and Therapeutics Committee of the relative clinical and cost-effectiveness of the agents for a preferred formulary status at military treatment facilities.

Professional accreditation of military dentists (sec. 715)

The House bill contained a provision (sec. 716) that would allow the secretaries of the military departments to authorize the treatment of no more than 2,000 children under the age of 13 per year at certain military facilities offering residency training programs in oral and maxillofacial surgery and orthodontics.

The Senate amendment contained a similar provision (sec. 713).

The House recedes with a technical amendment.

Temporary authority for waiver of collection of payments due for CHAMPUS benefits received by disabled persons unaware of loss of CHAMPUS eligibility (sec. 716)

The House bill contained a provision (sec. 718) that would allow the Secretary of Defense to waive the collection of certain payments for health care services provided during a period of ineligibility between July 1, 1999 and December 31, 2004 for beneficiaries under age 65 entitled to Medicare on the basis of disability or end stage renal disease. The waiver would apply to those beneficiaries who were unaware of their loss of eligibility to receive health benefits at the time they were received. The provision also required a quarterly report to Congress on efforts to identify such individuals and actions taken when individuals are determined to be ineligible.

The Senate amendment contained a similar provision (sec. 719) with no reporting requirement.

The House recedes with a technical amendment.

Services of marriage and family therapists (sec. 717)

The Senate amendment contained a provision (sec. 714) that would clarify that certified marriage and family therapists can serve as health care professionals under sections 1091 and 1094 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

The conferees clarify that the term "marriage and family therapist" includes masters-level prepared psychologists who are licensed in marriage and family therapy.

Chiropractic health care benefits advisory committee (sec. 718)

The Senate amendment contained a provision (sec. 715) that would require the Secretary of Defense to establish a Chiropractic Health Care Benefits Advisory Committee to provide advice regarding the implementation of chiropractic benefits for active-duty members, and would require the Committee to meet no fewer than three times in each fiscal year beginning in 2005.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that not less than three committee members appointed by the Secretary must be practicing representatives of the chiropractic health care profession. The amendment would also require that the Secretary submit a copy of the advisory committee report to the Committee on Armed Services of the Senate and the House of

Representatives, including an explanation of the criteria used to determine full implementation of the current program, and views with regard to future implementation of chiropractic health care benefits.

Subtitle C-Planning, Programming, and Management

Pilot program for health care delivery (sec. 721)

The House bill contained a provision (sec. 721) that would authorize the Secretary of Defense to conduct a pilot program for health care delivery to test a model for future health care delivery systems at one or more military installations where the military population is expected to expand. The model would focus on coordinating and leveraging the use of existing health care resources, to include federal, state, local, and contractor assets, to meet increased health care requirements.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary to conduct a health care delivery pilot program at two or more military installations for the purpose of testing a model of health care delivery that builds cooperative health care arrangements between military installations and local and regional civilian health care systems.

The conferees find that with increasing requirements to repair or replace aging military treatment facilities and potential realignment of forces, the Department of Defense will be challenged to find new ways of providing enhanced health care for beneficiaries entitled to military health care.

Study of provision of travel reimbursement to hospitals for certain military disability retirees (sec. 722)

The House bill contained a provision (sec. 722) that would require the Secretary of Defense to conduct a study of the feasibility and desirability of providing retirees with combat-related disabilities travel and transportation benefits to receive medical treatment at military hospitals for two years after their retirement. The provision would also require the Secretary to report the results of the study to the congressional defense committees by March 1, 2005.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include all military disability retirees in the study.

Study of mental health services (sec. 723)

The House bill contained a provision (sec. 723) that would

require the Secretary of Defense to conduct a study of mental health services available to members of the Armed Forces, to include an evaluation of the availability and effectiveness of mental health treatment and screening resources for members before and after deployment, and for the families of deployed members. The provision would also require an assessment of obstacles that prevent members of the Armed Forces and their families from obtaining mental health services, as well as identification of mental health problems unique to members of the Reserve component.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Comptroller General to conduct the study and submit a report to Congress by March 31, 2005. The amendment would also require the report to include recommendations for removing any obstacles to obtaining mental health services for members of the Reserve component.

The conferees support the recommendations made by the Army's Mental Health Advisory Team and direct the Secretary of the Army to provide a report by March 1, 2005, on the implementation of recommendations for providing mental health assistance to soldiers wanting help and educating soldiers on how to obtain help from forward-deployed mental health units.

Policy for timely notification of next of kin of members seriously ill or injured in combat zones (sec. 724)

The Senate amendment contained a provision (sec. 367) that would require the Secretary of Defense, not later than 120 days after the date of enactment of this Act, to prescribe the policy for providing timely notification to the next of kin of the status, including health and location of members of the Armed Forces who are seriously ill or injured in a combat zone. The provision also authorized an increase of \$10.0 million in research, development, test and evaluation funding for medical equipment and combat casualty care technologies.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees honor the sacrifice of the members of the Armed Forces who have been killed or wounded while bravely serving in ongoing military operations and the heroic efforts of the medical personnel of the Armed Forces in treating wounded military personnel and civilians under combat conditions. In view of modern communications capabilities, the conferees believe the Department of Defense's current policies relating to notification of next of kin about service members who have been seriously wounded or are gravely ill must be revised to include appropriate standards aimed at ensuring timely and ongoing communication, consistent with the desires of individual service members.

The conferees agree to an increase of \$5.3 million for combat casualty care technologies, which is reflected in the tables for title II of this Act.

Revised funding methodology for military retiree health care benefits (sec. 725)

The House bill contained a provision (sec. 1541) that would revise the process for funding the annual payments that are required to be paid into the Department of Defense Medicare-Eligible Retiree Health Care Accrual Fund. Beginning in fiscal year 2006, the Secretary of the Treasury would make the annual payments from the general fund of the Treasury.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to transmit certifications required under this Act to the Committees on Armed Services of the Senate and the House of Representatives immediately upon transmission to the Secretary of the Treasury.

The conferees expect that the transmission of funding certifications will include all determinations by the Secretary of Defense concerning the amounts required for deposit into the Medicare-Eligible Retiree Health Care Accrual Fund beginning in fiscal year 2006.

Grounds for presidential waiver of requirement for informed consent or option to refuse regarding administration of drugs not approved for general use (sec. 726)

The Senate amendment contained a provision (sec. 716) that would limit to national security interests the grounds on which the President could deny a service member the right to refuse an investigational new drug or product not approved for general use.

The House bill contained no similar provision.

The House recedes.

TRICARE program regional directors (sec. 727)

The conferees agree to include a provision which would require the Secretary of Defense to develop and report to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2005 recommendations for a formal TRICARE Regional Director selection process. The selection process would require the Secretary of each military department to nominate one commissioned officer in a grade above colonel or, for the Navy in a grade above the grade of captain, or a member of the Senior Executive Service. The provision would require that the recommendations of the Secretary include the qualifications for Regional Directors, the period of assignment of a commissioned officer as a Regional Director and other

requirements as prescribed by the Secretary.

The conferees expect that, among other duties as prescribed by the Secretary, the TRICARE Regional Director will be responsible for ensuring the adequacy of the number and types of civilian TRICARE providers, both in civilian networks and those who participate in the TRICARE Standard program. The conferees expect that the Regional Director will consider the requirement for the availability of TRICARE Standard providers to support members of the Reserve components and their families who are eligible to participate in TRICARE Standard, as authorized elsewhere in this Act.

Subtitle D-Medical Readiness Tracking and Health Surveillance

Medical readiness plan and Joint Medical Readiness Oversight Committee (sec. 731)

The Senate amendment contained a provision (sec. 1301) that would require the Secretary of Defense to develop a comprehensive plan to improve medical readiness, and Department of Defense tracking of the health status of members of the Armed Forces; and to strengthen medical readiness tracking before, during, and after deployment of members of the Armed Forces overseas. The provision would also require the establishment by the Secretary of a Joint Medical Readiness Oversight Committee to advise the Secretary of Defense on medical readiness and health status of the members of the Active and Reserve components of the Armed Forces and to oversee the development of the comprehensive medical readiness plan required elsewhere in this Act.

The House bill contained no similar provision.

The House recedes with an amendment to include the Vice Chiefs of the military services as members of the committee, and a requirement that each year, before the committee submits its report to Congress, that the Secretary shall provide an opportunity for representatives of veterans and military health advocacy organizations, and others the Secretary of Defense considers appropriate, to comment on the report. The amendment requires that the report submitted to Congress shall include a summary of the comments received and the Secretary's response to them.

The conferees are concerned that a report published by the Comptroller General in September 2004, entitled "DoD Needs to Address Long-term Reserve Force Availability and Related Mobilization and Demobilization Issues," continues to identify problems in the management of the health status of Reserve forces by the Department of Defense. The report finds that, "DoD's ability to effectively manage the health status of its reserve

forces is limited because its centralized database has missing and incomplete health records and it has not maintained full visibility over reserve component members with medical problems." The conferees expect the committee and the comprehensive plan authorized in this Act to promptly address the ongoing issues identified by the Comptroller General for the Reserve component, as well as all those matters concerning medical readiness, health surveillance, and force health protection for both active-duty and Reserve components delineated in this Act.

Medical readiness of Reserves (sec. 732)

The Senate amendment contained a provision (sec. 1302) that would require the Comptroller General to conduct a study of the health of members of the Reserve components who have been ordered to active duty in support of Operation Enduring Freedom and Operation Iraqi Freedom. The study would review the health and medical fitness of Reserves when they were ordered to active duty, the effects of their health status on planning and deployment schedules, and compliance by military personnel with Department of Defense policies on medical and physical fitness applicable to the reserve components. The provision would also require health assessments not less frequently than once every two years, using the pre-deployment health assessments required under section 1074f of title 10, United States Code, as the minimum standard. The provision would require the review of pre-deployment health assessments by a medical professional and any follow-up care that is required by the member. The Senate provision would further require improvement to the pre-deployment assessment form currently in use by the Department, and development of a uniform policy on deferral of medical treatment pending deployment to theaters of operations.

The House bill contained no similar provision.

The House recedes with an amendment to clarify that follow-up care and treatment provided to Reserve members is care that is otherwise authorized for medical and dental readiness.

Baseline health data collection program (sec. 733)

The Senate amendment contained a provision (sec. 1303) that would require the Secretary of Defense to collect baseline health data from each person entering the Armed Forces, and to provide for the computerized compilation and maintenance of the data. The provision would also establish interim standards for blood sampling, not less than 60 days prior to deployment and not later than 30 days after the date on which the deployment ends.

The House bill contained no similar provision.

The House recedes with an amendment to require that blood samples be drawn not earlier than 120 days before the date of

deployment. The amendment would require the application of interim standards for blood sampling unless the Joint Medical Readiness Oversight Committee established elsewhere in this Act recommends, and the Secretary approves, a different standard.

The conferees expect that in the development of the health baseline data collection program required by this title, the Department of Defense will work jointly with the Department of Veterans Affairs to examine coding and terminology for all computerized medical data systems to ensure compatibility with those computerized medical data systems of the Department of Veterans Affairs. The conferees acknowledge that much progress has been made in achieving compatibility of medical information systems, both in the clinical setting, such as the Federal Health Information Exchange, and in support of field operational units, such as the Special Operations Forces Medics system. The conferees urge the Department of Defense to continue such efforts with the Department of Veterans Affairs, which are necessary to improve continuity of care.

Medical care and tracking and health surveillance in the theater of operations (sec. 734)

The Senate amendment contained a provision (sec. 1304) that would require the Secretary of Defense to establish a policy on health record keeping in the theater of operations, and to evaluate and report to Congress on the strengths and weaknesses and recommend changes to mandatory record keeping systems for military personnel in the theater. The report would also include a summary of scientific literature on blood sampling, and a recommendation for changes to regulations and standards for blood sampling. The provision would require that the Secretary develop a plan for obtaining all records of medical treatment provided to members of the Armed Forces by allies of the United States in Operation Enduring Freedom and Operation Iraqi Freedom. The provision would also require the Secretary to prescribe a policy on the collection and dissemination of in-theater individual personnel location data.

The House bill contained no similar provision.

The House recedes.

Declassification of information on exposures to environmental hazards (sec. 735)

The Senate amendment contained a provision (sec. 1305) that would require the Secretary of Defense to review and revise as appropriate the classification policies of the Department of Defense to facilitate the declassification of data that is potentially useful for monitoring and assessing the health of members of the Armed Forces who have been exposed to

environmental hazards during overseas deployments.

The House bill contained no similar provision.

The House recesses.

Report on training on environmental hazards (sec. 736)

The Senate amendment contained a provision (sec. 1306) that would require a report by the Secretary of Defense to the Committees on Armed Services of the Senate and the House of Representatives on the training on environmental hazards that is provided by the Armed Forces to medical personnel who are deployed to the field in support of combat personnel. The provision would also require a report to congressional defense committees on actions taken by Department of Defense officials in response to health concerns expressed by members of the Armed Forces during post-deployment health assessments.

The House recesses with an amendment to remove the reporting requirement on actions taken by Department officials in response to health concerns expressed by members of the Armed Forces during post-deployment health assessments from this provision.

The conferees intend that the report required by this provision on actions taken by Department officials to health concerns expressed by members of the Armed Forces during post-deployment health assessments will be addressed by a reporting requirement elsewhere in this Act.

Uniform policy for meeting mobilization-related medical care needs at military installations (sec. 737)

The Senate amendment contained a provision (sec. 1307) that would require the Secretary of Defense to prescribe through regulations a policy to ensure that anticipated health needs of members of the Armed Forces at mobilization installations can be met at those installations. The policy would include procedures for arrangements for health care provided by the Secretary of Veterans Affairs, services of local health care providers, and temporary employment of health care personnel at such installations.

The House bill contains no similar amendment.

The House recesses with an amendment to clarify the definition of the term military installation, and to require the Secretary of Defense to establish a uniform policy through the secretaries concerned and military command structure for meeting anticipated health needs at mobilization installations.

Full implementation of Medical Readiness Tracking and Health Surveillance Program and Force Health Protection and Readiness Program (sec. 738)

The Senate amendment contained a provision (sec. 1308) that would require the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness and in conjunction with the secretaries of the military departments, to fully implement at all levels the Medical Readiness Tracking and Health Surveillance Program under this title, and the Force Health Protection and Readiness Program of the Department of Defense.

The House recedes.

*Reports and Internet accessibility relating to health matters
(sec. 739)*

The Senate amendment contained a provision (sec. 1309) that would require the Secretary of Defense to submit annually to the Committees on Armed Services of the Senate and the House of Representatives a report on the Force Health Protection Quality Assurance Program. The provision would require that the report include an audit of the extent to which the serum samples required to be obtained from members of the Armed Forces before and after deployment are stored in the serum repository of the Department of Defense, and an audit of the extent to which health assessments required before and after deployment are being maintained in the electronic database of the Defense Medical Surveillance System.

The provision would also require that the annual report to the congressional defense committees include an analysis of actions taken by the Department to respond to health concerns expressed by members of the Armed Forces upon return from a deployment, and an analysis of actions taken by Department personnel to evaluate or treat members of the Armed Forces who are confirmed to have been exposed to occupational or environmental hazards deleterious to their health during a deployment.

The provision would include a requirement for an annual report on compliance by the military departments with Department policy on recording of health assessment data in military health records. The provision would also require that the Chief Information Officer of each military department ensure that information on Department policies regarding pre-deployment and post-deployment health policies are available through an online portal website of that military department.

The House bill contains no similar amendment.

The House recedes with an amendment to remove the requirement for a report on actions taken by the Department to evaluate or treat former members of the Armed Forces who are confirmed to have been exposed to occupational or environmental hazards during deployment. The amendment would also clarify that health assessment data required in section 1074(f) of title 10,

United States Code, would be recorded in military health records.

Legislative Provisions Not Adopted

Demonstration project on health benefits for Reserves

The House bill contained a provision (sec. 701) that would require the Secretary of Defense to conduct a three-year demonstration project to provide TRICARE coverage for Ready Reserve members not on active duty who are ineligible for employer-sponsored health benefits. The purpose of the demonstration would be to determine whether such coverage enhances medical readiness, recruiting, and retention of Reserve component members.

The Senate amendment contained a provision (sec. 701) that would direct the Secretary to carry out a demonstration project under section 1092 of title 10, United States Code, to determine the need for, and feasibility of, providing benefits under TRICARE to members of the Ready Reserve who are eligible for unemployment compensation, continuously unemployed after the expiration of such compensation, or ineligible for employer-provided health care coverage.

The conference agreement does not include these provisions.

The conferees acknowledge the preference of the Secretary to conduct a demonstration project and expect the Secretary to proceed with a demonstration project to assess the feasibility and effectiveness of providing TRICARE benefits to Reserve members without employer-provided health insurance coverage using existing authority in section 1092 of title 10, United States Code. The conferees request that the Comptroller General include in the evaluation of the needs of Reserves for health care required by section 705 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) a report on actions taken by the Department to prepare for a demonstration project on the feasibility of providing TRICARE benefits to Reserve members without employer-provided health insurance.

Continuation of non-TRICARE health benefits plan coverage for certain Reserves called or ordered to active duty and their dependents

The Senate amendment contained a provision (sec. 707) that would direct the Secretary of Defense to pay private health insurance premiums for the dependents of a Reserve member ordered to extended active duty and who would then not be eligible for TRICARE.

The House bill contained no similar provision.

The Senate recedes.

Exceptional eligibility for TRICARE Prime Remote

The House bill contained a provision (sec. 713) that would authorize the Secretary of Defense to waive all restrictions with regard to TRICARE Prime Remote medical coverage for active-duty family members that reside at a remote location without regard to the sponsor's current or past assignment. Such a waiver would occur if the Secretary determines that exceptional circumstances warrant such coverage.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that there exist today situations of extreme hardship for beneficiaries, particularly minor children, caused by exceptional circumstances through no fault of their own and beyond their control. The conferees urge the Secretary to look within existing authorities for means to remedy these extreme circumstances. If existing authorities do not allow for such remedy, the Secretary shall submit to Congress recommendations to address such exceptional situations.

Addition of certain unremarried former spouses to persons eligible for dental insurance plan of retirees of the uniformed services

The House bill contained a provision (sec. 717) that would permit certain unremarried former spouses of a member or former member to participate in the TRICARE Retiree Dental Program, if they do not have dental coverage under an employer-sponsored health plan.

The Senate amendment contained no similar provision.

The House recedes.

Vaccine Healthcare Centers Network

The Senate amendment contained a provision (sec. 720) that would require the Secretary of Defense to establish the Vaccine Healthcare Centers Network for the purpose of monitoring adverse reactions of members of the Armed Forces to vaccines and, in addition, to improve the safety and quality of vaccine administration for members of the Armed Forces.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge that the Vaccine Healthcare Centers in existence today have made contributions to the quality monitoring system for adverse reactions to anthrax and smallpox immunization programs conducted by the Department of Defense. The Secretary should examine the feasibility and necessity of the establishment of an expanded Vaccine Healthcare Centers Network in the context of a review of the adequacy of existing clinical

immunization safety, educational, training and research programs for military members and providers involved in immunization of military service members. The Secretary should also make recommendations on improvements as necessary in submission of data to the Vaccine-related Events Reporting System, and access to clinical management services for members who experience vaccine adverse events.

The conferees strongly encourage each of the military departments to continue to provide funds required by the existing Vaccine Healthcare Centers based on each service's share of the total force vaccinated.

Use of Department of Defense funds for abortion

The Senate amendment contained a provision (sec. 721) that would authorize the use of Department of Defense funds for abortions in cases in which a pregnancy occurred as a result of an act of rape or incest.

The House bill contained no similar provision.

The Senate recedes.

United States Military Cancer Institute

The Senate amendment contained a provision (sec. 914) that would establish a United States Military Cancer Institute within the Uniformed Services University of the Health Sciences. The institute would conduct research on the causes, prevention, and early detection of cancer, including epidemiological features of cancer and impact of genetic and environmental factors and disparities in health among populations of various ethnic origins. The research would also include research on oncologic nursing.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge that the United States Military Cancer Institute continues to operate under the auspices of the Uniformed Services University of the Health Sciences, and has received appropriations since fiscal year 2002. The conferees commend the United States Military Cancer Institute for its worthy contributions to cancer research, prevention, and treatment.

Use of civilian experts as consultants

The Senate amendment contained a provision (sec. 1310) that would clarify that nothing contained in amendments to this title should be construed to limit the authority of the Secretary of Defense to procure the services of experts outside the Federal Government for performing any function to comply with requirements for readiness tracking and health surveillance.

The House bill contained no similar provision.

The Senate recedes.

The conferees expect that the Secretary will use existing authority to procure the services of outside experts as needed for any of the requirements of this title.

TITLE VIII-ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Legislative Provisions Adopted

Subtitle A-Acquisition Policy and Management

Software-related program costs under major defense acquisition programs (sec. 801)

The Senate amendment contained a provision (sec. 802) that would modify existing quarterly acquisition reports submitted to Congress by the Secretary of Defense to include information on significant changes in the cost, schedule, or performance of the computer software component of each major defense acquisition program.

The House bill contained no similar provision.

The House recedes with an amendment that would delay the effective date of the provision.

Internal controls for Department of Defense procurements through General Services Administration Client Support Centers (sec. 802)

The Senate amendment contained a provision (sec. 803) that would prohibit Department of Defense officials from placing orders in excess of \$100,000 through a Client Support Center (CSC) of the Federal Technology Service of the General Services Administration (GSA) until the Department Inspector General, in consultation with the GSA Inspector General, determines that the CSC has in place the policies, procedures, and internal controls necessary to ensure compliance with requirements of law and regulation.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) extend the time frame for Inspector General review of the policies, procedures, and internal controls of the GSA Client Support Centers; (2) permit the Department to continue contracting for an additional year with any CSC that is making significant progress toward implementing effective policies, procedures, and internal controls; (3) require a second Inspector General review and determination at the end of the additional year; and (4) authorize the Under Secretary of Defense for Acquisition, Technology and Logistics to continue contracting through a CSC that has failed to implement appropriate policies, procedures,

and internal controls, if he determines that it is necessary to do so in the interest of the Department.

Defense commercial communications satellite services procurement process (sec. 803)

The Senate amendment contained a provision (sec. 804) that would require the Secretary of Defense to review alternative mechanisms for procuring commercial satellite services, and provide guidance to the Director of the Defense Information Services Agency and the secretaries of the military departments on how such procurements should be conducted.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the reporting requirement, and require a 30 day waiting period after the submission of the report during which the Secretary could not enter into a new contract for commercial satellite services unless the Secretary determines that such a contract is required to meet urgent national security requirements.

Contractor performance of acquisition functions closely associated with inherently governmental functions (sec. 804)

The Senate amendment contained a provision (sec. 867) that would limit contracting for functions closely associated with inherently governmental functions unless the Secretary of Defense determines that: (1) appropriate military or civilian personnel are not available to perform such function; (2) appropriate military or civilian personnel are able to supervise and perform all inherently governmental functions; and (3) the contractor to perform the function does not have an organizational conflict of interest or the appearance of an organizational conflict of interest.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the applicability of the provision, and require the agency to address any potential contractor organizational conflict of interest consistent with subpart 9.5 of part 9 of the Federal Acquisition Regulation and the best interest of the Department of Defense.

Sustainment plans for existing systems while replacement systems are under development (sec. 805)

The House bill contained a provision (sec. 821) that would require the Department of Defense to plan and budget for the sustainment and modernization of current military systems until such time that the replacement system under development is fielded and assumes responsibility for the mission.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify the requirements of the provision and delete annual review and reporting requirements.

Applicability of competition exceptions to eligibility of National Guard for financial assistance for performance of additional duties (sec. 806)

The Senate amendment contained a provision (sec. 863) that would clarify that exceptions to competition requirements provided in the Competition in Contracting Act (10 U.S.C. 2304), apply to support activities provided by the Army National Guard under the authority of section 113(b) of title 32, United States Code.

The House bill contained no similar provision.

The House recedes.

Inflation adjustment of acquisition-related dollar thresholds (sec. 807)

The House bill contained a provision (sec. 807) that would authorize the Federal Acquisition Regulatory Council to amend the dollar threshold of procurement statutes in accordance with inflationary rates in order to maintain the constant dollar value of the threshold. This section would not authorize adjustments to the Davis-Bacon Act (40 U.S.C. 276(a)), the Service Contract Act of 1965 (Public Law 89-286), or title III of the Trade Agreements Act of 1979 (Public Law 96-39).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would: (1) codify the provision in the Office of Federal Procurement Policy Act; (2) make adjustment to acquisition thresholds mandatory rather than discretionary to ensure that all thresholds are adjusted in the same way; (3) establish a petition process for thresholds omitted by the Federal Acquisition Regulatory Council; (4) supercede other inflation adjustment statutes to ensure there is no conflicting authority; and (5) address procurement thresholds enacted in law after October 1, 2000.

**Subtitle B-Amendments to General
Contracting Authorities, Procedures, and
Limitations**

Rapid acquisition authority to respond to combat emergencies (sec. 811)

The House bill contained a provision (sec. 801) that would authorize the Secretary of Defense to establish a streamlined acquisition process for use when combat fatalities have occurred, the combatant commander has an urgent need of equipment, and delay would cause a continuation of combat fatalities. This process is to be used as a 'quick start' bridge to the normal acquisition process.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would incorporate the new authority into section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314), provide for waivers to be made on a case-by-case basis, and clarify that a program initiated under this authority must transition to the traditional acquisition process within two years.

Defense acquisition workforce improvements (sec. 812)

The House bill contained a provision (sec. 802) that would amend various sections of the Defense Acquisition Workforce Improvement Act, chapter 87 of title 10, United States Code.

The Senate amendment contained a similar provision (sec. 842).

The House recedes with an amendment that would: (1) clarify the selection criteria for the acquisition corps and for critical acquisition positions; and (2) streamline the provision addressing scholarship program requirements.

Period for multiyear task and delivery order contracts (sec. 813)

The House bill contained a provision (sec. 803) that would amend section 2304(a) of title 10, United States Code, to clarify time limitations for options in task and delivery order contracts.

The Senate amendment contained a similar provision (sec. 812).

The House recedes with an amendment to limit the base period of a task and delivery order contract to five years, with options for up to an additional five years, for a total period of not more than ten years. Task and delivery order contracts may have more than five option years, if the head of an agency determines in writing that exceptional circumstances necessitate a longer contract period.

Funding for contract ceilings for certain multiyear procurement contracts (sec. 814)

The House bill contained a provision (sec. 804) that would

amend section 2306b(g) and section 2306c(d) of title 10, United States Code, to require the head of the agency concerned to provide written notification to the congressional defense committees in those instances when cancellation costs that are above \$100.0 million are not fully funded. The written notification would include a financial risk assessment for not fully funding the cancellation ceiling.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would not require the head of the agency to identify up-front funding sources for potential contract cancellation.

Increased threshold for senior procurement executive approval of use of procedures other than competitive procedures (sec. 815)

The Senate amendment contained a provision (sec. 811(a)) that would raise from \$50.0 million to \$75.0 million the threshold in section 2304(f)(1)(B)(iii) of title 10, United States Code, for requiring approval of the senior procurement executive of an agency to award contracts under other than competitive procedures.

The House bill contained no similar provision.

The House recedes.

Section 811(b) of the Senate amendment is addressed elsewhere in this conference report.

Increased threshold for applicability of requirement for defense contractors to provide information on subcontracting authority of contractor personnel to cooperative agreement holders (sec. 816)

The House bill contained a provision (sec. 805) that would increase from \$500,000 to \$1.0 million the threshold in section 2416(d) of title 10, United States Code, at which contractors must provide to cooperative agreement holders a listing of the names and contact information of each contractor employee who has authority to enter into contracts, including subcontracts.

The Senate amendment contained a similar provision (sec. 811(b)).

The Senate recedes.

Section 811(a) of the Senate amendment is addressed elsewhere in this conference report.

Extension of authority for use of simplified acquisition procedures (sec. 817)

The House bill contained a provision (sec. 806) that would amend section 4202(e) of the Clinger-Cohen Act of 1996 (Public Law 104-106) by extending until October 1, 2009, the time frame

in which the secretary of an executive agency may use simplified procedures to purchase commercial items that have a value of \$5.0 million or less.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would extend this authority for two years.

Submission of cost or pricing data on noncommercial modifications of commercial items (sec. 818)

The Senate amendment contained a provision (sec. 813) that would require contractors for Department of Defense contracts to submit cost or pricing data on noncommercial modifications to commercial items, if the modifications are expected to cost in excess of \$500,000.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the requirement to apply to noncommercial modifications that are expected to cost in excess of \$500,000 or five percent of the total price of the contract, whichever is greater.

Delegations of authority to make determinations relating to payment of defense contractors for business restructuring costs (sec. 819)

The Senate amendment contained a provision (sec. 814) that would permit the Secretary of Defense to delegate below the level of an Assistant Secretary of Defense the authority to pay defense contractors for restructuring costs associated with business combinations in cases where the amount of restructuring costs over a five year period is expected to be under \$25.0 million. In no case could this authority be delegated below the Director of the Defense Contract Management Agency.

The House bill contained no similar provision.

The House recedes.

Availability of Federal supply schedule supplies and services to United Service Organizations, Incorporated (sec. 820)

The Senate amendment contained a provision (sec. 870) that would clarify that the Secretary of Defense may provide the United Service Organizations access to the Federal Supply Schedule of the General Services Administration.

The House bill contained no similar provision.

The House recedes.

Addition of landscaping and pest control services to list of designated industry groups participating in the small business

competitiveness demonstration program (sec. 821)

The House bill contained a provision (sec. 3601) that would add landscaping and pest control services to the list of designated industry groups participating in the small business competitiveness demonstration program.

The Senate amendment contained no similar provision.

The Senate recedes.

Increased thresholds under special emergency procurement authority (sec. 822)

The conferees agree to include a provision that would increase the dollar thresholds below which the Department of Defense may use streamlined acquisition procedures for purchases outside the United States in support of a contingency operation or to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the United States. The provision included in the conference report would raise the simplified acquisition threshold for such purchases from \$500,000 to \$1,000,000 and it would raise the micropurchase threshold for such purchases from \$15,000 to \$25,000.

Subtitle C-United States Defense Industrial Base Provisions

Defense trade reciprocity (sec. 831)

The House bill contained a provision (sec. 811) that would limit the ability of the Secretary of Defense to purchase defense items from countries that impose offset regulations or policies on purchases of defense items from the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to develop a defense acquisition trade policy designed to eliminate any adverse impact of offset agreements in defense trade.

Assessment and report on the acquisition of polyacrylonitrile (PAN) carbon fiber from foreign sources (sec. 832)

The House bill contained a provision (sec. 813) that would require the Secretary of Defense to delay phasing out of the restriction of acquisition of polyacrylonitrile (PAN) carbon fiber from foreign sources for three years.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delay the

phase out of the domestic source restriction for PAN carbon fibers for 30 days after the Secretary of Defense provides to the Committees on Armed Service of the Senate and the House of Representatives a report on an assessment of the domestic and international industrial structure that produces PAN carbon fibers and market trends for the product.

Subtitle D-Extensions of Temporary Program Authorities

Extension of mentor-protege program (sec. 841)

The Senate amendment contained a provision (sec. 822) that would extend for five years the pilot Mentor-Protege program established by section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510).

The House amendment contained no similar provision.

The House recedes with an amendment requiring a review of the implementation and effectiveness of the Mentor-Protege program.

Amendment to mentor-protege program (Sec. 842)

The Senate amendment contained a provision (sec. 1083) that would permit HUBZone small business concerns and small business concerns owned and controlled by service-disabled veterans to participate in the Department of Defense's Mentor-Protege program.

The House bill contained no similar provision.

The House recedes.

Extension of test program for negotiation of comprehensive small business subcontracting plans (sec. 843)

The Senate amendment contained a provision (sec. 823) that would extend for five years the test program for negotiation of comprehensive small business subcontracting plans established by section 834 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189). Under the test program, prime contractors may submit a plan designed to provide the maximum subcontracting opportunity for small, disadvantaged, and women-owned small business concerns that covers all anticipated contracts on a plant, division, or corporate basis, rather than for each Federal contract and subcontract of more than \$500,000 (or \$1.0 million in the case of construction contracts) awarded as required under section 8(d) of the Small Business Act (Public Law 85-536, as amended).

The House bill contained no similar provision.
The House recedes.

Extension of pilot program on sales of manufactured articles and services of certain Army industrial facilities (sec. 844)

The Senate amendment contained a provision (sec. 824) that would extend for five years the pilot program for the sale of manufactured articles and services from Army industrial facilities enacted in the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85). This program tests the efficiency and appropriateness of selling manufactured articles and services at Army facilities under the authority of section 4543 of title 10, United States Code, without regard to the availability of the articles and services from U.S. commercial sources.

The House bill contained no similar provision.
The House recedes.

Subtitle E-Other Acquisition Matters

Review and demonstration project relating to contractor employees (Sec. 851)

The House bill contained a provision (sec. 822) that would require the Secretary of Defense to conduct a review of Department of Defense policies, procedures, and practices relating to employees of defense contractors and their subcontractors. The provision also require the Secretary to conduct a demonstration program for the procurement of military construction, renovation, maintenance or repair service on military installations to ensure employees are properly authorized to be employed in the United States and properly qualified to perform the services required under the contract.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would give the Secretary of Defense general discretion over the types of procurement procedures used in the demonstration project.

Inapplicability of certain fiscal laws to settlements under special temporary contract closeout authority (sec. 852)

The Senate amendment contained a provision (sec. 861) that would clarify the authority to settle financial accounts for old contracts that have unreconciled balances of less than \$100,000 under section 804 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136).

The House bill contained no similar provision.

The House recedes.

Contracting with employers of persons with disabilities
(sec. 853)

The Senate amendment contained a provision (sec. 868) that would provide for the continuation and completion of existing contracts (including any options) awarded to the blind and severely disabled for the operation of military troop dining facilities, military mess halls, and other similar military dining facilities.

The House bill contained no similar provision.

The House recedes with an amendment that would cover contracts awarded under the Randolph-Sheppard Act (28 U.S.C. 107).

Defense procurements made through contracts of other agencies
(sec. 854)

The Senate amendment contained a provision (sec. 815) that would prohibit the Department of Defense from paying more than a 1 percent service charge for using other agency contracts to purchase goods and services.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the prohibition on paying fees in excess of 1 percent of the amount charged by the contractor and substitute: (1) a requirement that the procurement is done in accordance with military department or defense agency procedures for reviewing and approving the use of non-Department contracts; and (2) a reporting requirement for all service charges imposed on purchases in amounts greater than the simplified acquisition threshold in fiscal years 2005 and 2006. Approvals of inter-agency transactions under this provision should be in writing, with supporting rationale, and retained in an official file.

The conferees expect the Department's review and approval procedures to ensure that any fees are reasonable in relation to the work actually performed by the contracting agency. The conferees do not believe that the Department should pay fees in excess of 1 percent to an outside agency that merely acts as a conduit for Department requirements. The conferees are particularly concerned that in some instances, the Department's orders appear to have been awarded to contractors who charge their own fees for directing the work to preferred subcontractors without providing any value added.

The conferees also expect the Department's review and approval procedures to ensure that the goods or services to be procured are within the scope of the non-Department contract vehicle, and that the supplies or services to be acquired are

consistent with the appropriated funding to be utilized. In addition, the Department's review and approval procedures should ensure that orders placed against non-Department contracts are in compliance with all applicable Department-unique statutes, regulations, directives, and other requirements prior to approval. The use of multiple award contracts must be consistent with the requirements of section 803 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107 (Competition Requirements for Purchase of Services Pursuant to Multiple Award Contracts)); Part 8.002 of the Federal Acquisition Regulation (Priorities for Use of Government Supply Sources); Part 17.5 of the Federal Acquisition Regulation (Interagency Acquisitions under the Economy Act); and the Department of Defense Instruction 4000.19 (Interservice and Intergovernmental Support). Purchases of information technology should also be consistent with Department information security requirements and the requirements of the Department business system enterprise architecture and transition plan. Officials should be familiar with the requirements of the basic contract and should provide to the assisting agency any Department-unique requirements associated with the acquisition.

Requirements relating to source selection for integrated support of aerial refueling aircraft fleet for the Air Force (sec. 855)

The Senate amendment contained a provision (sec. 871) that would require the Secretary of Defense to prevent the Secretary of the Air Force from proceeding with the acquisition of aerial refueling aircraft, by lease or other contract, either with full and open competition or under section 135 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) until 60 days after the Secretary of Defense has reviewed applicable documentation and submitted a determination to the congressional defense committees that the acquisition is in compliance with all currently applicable laws, Office of Management and Budget circulars, and regulations. The provision would also require an independent review of the acquisition by the Comptroller General and the Inspector General of the Department of Defense. The provision would also require operational testing prior to proceeding beyond low-rate initial production of the aircraft. The provision would also require a competition for the integrated support of the aircraft, and require pricing information with respect to commercial items covered by the lease or contract. The provision would also require the Secretary of the Air Force to contact the Inspector General of the Department of Defense to review and approve any Air Force use of non-Federal audit services for any lease or other contract for the acquisition of aerial refueling aircraft.

The House bill contained no similar provision.

The House recedes with an amendment to require the Department to review the costs and benefits of using federal employees or contractors for the logistics support of any new tanker aircraft and, if the Air Force chooses to use a contractor for this support, that any such contract be conducted under the procedures of the Competition in Contracting Act.

The conferees understand that the Department is working on a new aerial refueling validated capabilities document in accordance with applicable Chairman of Joint Chiefs Instructions. The conferees also note that on February 24, 2004, the Acting Undersecretary of Defense for Acquisition, Technology and Logistics directed the Secretary of the Air Force to conduct an analysis of alternatives (AOA) for recapitalizing the KC-135 fleet as required by section 134(b) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), and that the Secretary of Defense has directed that this analysis, along with a completed aerial refueling portion of the mobility capabilities study be accelerated. In addition, at the direction of the Secretary, the National Defense University, the Defense Science Board and the Department of Defense Inspector General prepared independent evaluations on various aspects of the aerial tanker refueling issue. The conferees expect that the Secretary of Defense will fully consider all of the recommendations from these studies and reports prior to proceeding with the acquisition of aerial refueling aircraft for the Air Force.

Legislative Provisions Not Adopted

Responsibilities of acquisition executives and chief information officers under the Clinger-Cohen Act

The Senate amendment contained a provision (sec. 801) that would require that the Clinger-Cohen Act requirements as applied to weapons and weapon systems be administered by senior acquisition executives of the three military services and overseen by a board of senior acquisition officials.

The House bill contained no similar provision.

The Senate recedes.

The Clinger-Cohen Act (40 U.S.C. 113) establishes requirements for capital planning, investment control, and performance and results-based management processes in the acquisition of information technology. While the Clinger-Cohen Act designates that the Chief Information Officer (CIO) is responsible for information technology in general, the Act does not specify who within the Department of Defense is responsible for administering these requirements for information technology embedded in major weapon systems. The Department's current practice is to administer the requirements of the Clinger-Cohen

Act through the Department's CIO, even for information technology embedded in major weapon systems that are acquired by senior acquisition executives of the military departments. This approach raises the possibility of overlapping responsibilities and inefficient and/or duplicative procedures for the acquisition of information technology embedded in major weapon systems.

Therefore, the conferees direct the Secretary of Defense to review the Department's current approach to implementing the requirements of the Clinger-Cohen Act with respect to information technology embedded in major weapon systems; the conferees also direct the Secretary to identify any overlapping responsibilities and inefficient and/or duplicative procedures arising from possible dual responsibilities of the CIO and senior acquisition executives for the acquisition of such information systems. The conferees further direct the Secretary to report to the congressional defense committees and the Committee on Governmental Affairs of the Senate and the Committee on Governmental Reform of the House of Representatives no later than June 15, 2005, on the Department's strategy for addressing any such overlapping responsibilities and inefficient and/or duplicative procedures, including any legislative changes that the Secretary may choose to recommend.

Revision and extension of authority for advisory panel on review of government procurement laws and regulations

The Senate amendment contained a provision (sec. 805) that would revise and extend the authority for the advisory panel on the review of government procurement laws and regulations established by section 1423 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136).

The House bill contained no similar provision.

The Senate recedes.

Amendments to domestic source requirements

The House bill contained a provision (sec. 812) that would amend section 2533a of title 10, United States Code, also known as the Berry Amendment, to require the Secretary of Defense to notify Congress and the public when the Secretary exercises a waiver and describe certain covered items as clothing.

The Senate amendment contained no similar provision.

The House recedes.

Grant program for defense contractors to implement strategies to avoid outsourcing of jobs

The House bill contained a provision (sec. 814) that would authorize the Secretary of Defense to award grants to qualified defense contractors in order to assist the contractor in avoiding

the outsourcing of jobs.

The Senate amendment contained no similar provision.

The House recedes.

The conferees recognize that improving competitiveness in the defense industrial base is an effective method of retaining domestic defense jobs and reducing the pressure to outsource jobs.

The conferees recommend that the Secretary of Defense establish a program to encourage qualified defense contractors to implement cost reduction strategies that would improve competitiveness to avoid the outsourcing of jobs. Examples of such strategies could include retraining employees, plant upgrades, technology development, and other production cost-cutting measures.

Preference for domestic freight forwarding services

The House bill contained a provision (sec. 815) that would require the Secretary of Defense to grant preferences to freight forwarder companies owned and controlled by U.S. citizens that offer fair and reasonable rates in the award of transportation service contracts for transportation services to, from, or within Iraq or Afghanistan.

The Senate amendment contained no similar provision.

The House recedes.

Sense of the Senate of effects of cost inflation on the value of the contracts to which a small business contract reservation applies

The Senate amendment contained a provision (sec. 816) that would express the sense of the Senate that the thresholds for the requirement for the reservation of contracts for small businesses and the use of simplified acquisition procedures should be adjusted in the same amount when adjusting these thresholds for inflation.

The House bill contained no similar provision.

The Senate recedes.

Extension of contract goal for small disadvantaged business and certain institutions of higher education

The Senate amendment contained a provision (sec. 821) that would extend section 2323 of title 10, United States Code, for three years.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that section 2323, which establishes a 5 percent goal for Department of Defense contracting with small

disadvantaged businesses and certain institutions of higher education, would continue to be effective until September 2006, and that a decision on whether to extend this authority will be deferred to later legislation.

Defense acquisition workforce limitations

The House bill contained a provision (sec. 823) that would require a 5 percent reduction in the number of defense acquisition and support personnel in the Department of Defense on or before October 1, 2005.

The Senate amendment contained a provision (sec. 841) that would require a 15 percent increase in the defense acquisition and support workforce during fiscal years 2005 through 2007.

The conference report does not include either provision.

Provision of information to Congress to enhance transparency in contracting

The House bill contained a provision (sec. 824) that would require the Secretary of Defense to provide information on contracts and task or delivery orders to the chairmen or ranking members of the Committees on Armed Services of the Senate and the House of Representatives, within 14 days of the request.

The Senate amendment contained no similar provision.

The House recedes.

Requirement to treat sureties in same manner as financing institutions when contractors default

The House bill contained a provision (sec. 825) that would require that sureties be treated in the same manner as financing institutions in cases of contractor default.

The Senate amendment contained no similar provision.

The House recedes.

Provisions relating to creation of jobs in the United States by defense contractors

The House bill contained a provision (sec. 826) that would require that the creation of jobs in the United States be used as an evaluation factor in defense procurements.

The Senate amendment contained no similar provision.

The House recedes.

Commission on the future of the national technology and industrial base

The Senate amendment contained a provision (sec. 831) that

would require the President to establish a commission to assess the future of the national technology and industrial base as defined by section 2500 of title 10, United States Code.

The House bill contained no similar provision.

The Senate recesses.

Waiver authority for domestic source or content requirements

The Senate amendment contained a provision (sec. 832) that would provide the Secretary of Defense the authority to waive the application of statutory domestic source requirements and domestic content requirements for those countries who have signed a Declaration of Principles on defense trade with the United States.

The House bill contained no similar provision.

The Senate recesses.

Consistency with United States obligations under trade agreements

The Senate amendment contained a provision (sec. 833) that would require that no provision of this Act, or any amendment made by this Act, shall apply if the Secretary of Defense, in consultation with the Secretary of Commerce, the U.S. Trade Representative, and the Secretary of State determines that the application of the provision would be inconsistent with international trade agreements of the United States.

The House bill contained no similar provision.

The Senate recesses.

Repeal of certain requirements and limitations relating to the defense industrial base

The Senate amendment contained a provision (sec. 834) that would repeal sections 812, 813, 814, and 821 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136).

The House bill contained no similar provision.

The Senate recesses.

Report on contractor performance of security, intelligence, law enforcement, and criminal justice functions in Iraq

The Senate amendment contained a provision (sec. 865) that would require the Secretary of Defense to report to the congressional defense committees on contractor performance of security, intelligence, law enforcement, and criminal justice functions in Iraq.

The House bill contained no similar provision.

The Senate recesses.

The conferees agree to include the intent of this provision in a related provision in this conference report.

Accreditation study of commercial, off-the-shelf processes for evaluating information technology products and services

The Senate amendment contained a provision (sec. 866) that would require the Secretary of Defense to carry out a study of commercial, off-the-shelf processes available to measure the quality of information technology, and to determine whether to accredit such a process for use in procurement of information technology and related services throughout the Department of Defense.

The House bill contained no similar provision.

The Senate recedes.

Energy savings performance contracts

The Senate amendment contained a provision (sec. 869) that would require the Secretary of Defense to exercise existing authority to introduce life-cycle, cost-effective upgrades to federal assets through shared, energy savings contracting; demand management programs; and utility incentive programs.

The House bill contained no similar provision.

The Senate recedes.

Comptroller General analysis of use of transitional benefit corporations in connection with competitive sourcing of performance of Department of Defense activities and functions

The Senate amendment contained a provision (sec. 1029) that would require the Comptroller General to review the potential for use of transitional benefit corporations in connection with competitive sourcing of the performance of activities and functions of the Department of Defense.

The House amendment contained no similar provision.

The Senate recedes. The manner in which employee benefits are addressed in public-private competitions is addressed in a separate section of the conference report.

Study of effect on defense industrial base of elimination of United States domestic firearms manufacturing base

The House bill contained a provision (sec. 1042) that would require the Secretary of Defense to submit to the congressional defense committees, within 60 days of enactment of this Act, a report detailing the impact on military readiness and the defense industrial infrastructure of the elimination of the U.S. domestic firearms manufacturing base as a result of ongoing civil

litigation.

The Senate amendment contained no similar provision.

The House recedes.

Determination of whether private air carriers are controlled by United States citizens for purposes of eligibility for government contracts for transportation of passengers or supplies

The House bill contained a provision (sec. 1063) that would amend section 2710 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11), to clarify that the Secretary of Transportation is responsible for certifying whether an air carrier is effectively controlled by citizens of the United States.

The Senate amendment contained no similar provision.

The House recedes.

Report on offset requirements under certain contracts

The Senate amendment contained a provision (sec. 1093) that would add additional reporting requirements to the report required under section 8138(b) of the Department of Defense Appropriations Act for Fiscal Year 2004 (Public Law 108-199).

The House bill contained no similar provision.

The Senate recedes.

TITLE IX-DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Legislative Provisions Adopted

Subtitle A-Duties and Functions of Department of Defense

*Study of roles and authorities of the Director of Defense
Research and Engineering (sec. 901)*

The Senate amendment contained a provision (sec. 911) that would require the Secretary of Defense, through the Defense Science Board, to carry out a study of the roles and authorities of the Director, Defense Research and Engineering.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Change of membership of specified council (sec. 902)

The House bill contained a provision (sec. 905) that would amend sections 171 and 179, title 10, United States Code, to include the Commandant of the Coast Guard as a member of the Armed Forces Policy Council (AFPC) and include the Under Secretary of Defense for Policy (USD,P) on the Nuclear Weapons Council (NWC).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include the USD,P on the NWC, but would leave the membership of the AFPC unchanged.

The conferees believe that the addition of the USD,P should allow the other members of the NWC to become more closely involved with nuclear related policy decisions. Additionally, the change will make the decisions that flow from the NWC more responsive to policy direction. The conferees note that this is the first time an additional member has been added to the NWC since its inception in 1987. The conferees expect the next two annual reports of the NWC required by subparagraph (f) of section 179 of title 10, United States Code, will discuss implementation of this provision.

Subtitle B-Space Activities

Space posture review (sec. 911)

The Senate amendment contained a provision (sec. 1031) that would require the Secretary of Defense, jointly with the Director of Central Intelligence, to conduct a comprehensive review of the space posture of the United States for the period of the next 10 years. The provision also would require the Secretary and Director to provide an interim report on that review to congressional defense and intelligence committees by March 15, 2005 and a final report by December 31, 2005.

The House bill amendment contained no similar provision. The House recedes with a clarifying amendment.

Panel on the future of national security space launch (sec. 912)

The Senate amendment contained a provision (sec. 1032) that would establish a panel to examine the future military space launch requirements of the United States and the means of meeting such requirements.

The House bill contained no similar provision.

The House recedes with an amendment that would establish a panel to examine the future national security space launch requirements of the United States and the means of meeting such requirements.

The conferees expect that the panel will consider the full range of national security space launch requirements.

Operationally responsive national security satellites (sec. 913)

The Senate amendment contained a provision (sec. 1033) that would establish a separate program element for operationally responsive satellite payloads managed by the Office of Force Transformation of the Office of the Secretary of Defense. The provision would also authorize \$25.0 million for the new program element.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees agree to authorize an increase of \$20.0 million in PE 65799D8Z for operationally responsive payloads.

Nondisclosure of certain products of commercial satellite operations (sec. 914)

The Senate amendment contained a provision (sec. 1034) that would exempt from disclosure under the Freedom of Information Act (FOIA), section 552 of title 5, United States Code, data that are collected by land remote sensing and are prohibited from sale to customers other than the United States and its affiliated users under the Land Remote Sensing Policy Act of 1992, section 5601 et. seq. of title 15, United States Code. The exemption would also include any imagery and other product that is derived from

such data. State and local laws mandating disclosure would be preempted.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the restrictions imposed on such data or imagery are imposed for reasons of national security pursuant to the terms of operating licenses issued pursuant to the Land Remote Sensing Policy Act, and that would extend the preemption to include tribal law. The amendment would also provide that nothing in this section shall be construed to authorize the withholding of information from Congress.

Subtitle C-Intelligence-Related Matters

Two-year extension of authority of the Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad (sec. 921)

The House bill contained a provision (sec. 1071) that would amend section 431(a) of title 10, United States Code, to extend by two years, to December 31, 2006, the authority of the Secretary of Defense to engage in commercial activities necessary to provide security for authorized intelligence collection activities abroad.

The Senate amendment contained an identical provision (sec. 1062).

The conference agreement includes this provision.

Pilot program on cryptologic service training (sec. 922)

The Senate amendment contained a provision (sec. 1090) that would allow the Director of the National Security Agency (NSA) to establish a pilot program for cryptologic service training by way of scholarships for college study in order to increase the number of qualified language analysts and intelligence analysts available to work at NSA or other elements of the intelligence community.

The House bill contained no similar provision.

The House recedes.

Subtitle D-Other Matters

Strategic plan for destruction of lethal Chemical Agents and Munitions Stockpile (sec. 931)

The conferees agree to include a provision that would require the Under Secretary of Defense for Acquisition,

Technology and Logistics and the Secretary of the Army, who is responsible for executing the Chemical Agents and Munitions Destruction program, to jointly prepare a strategic plan for the future activities of the Chemical Demilitarization program. The plan shall include, at a minimum, consideration of realistic budgeting for stockpile destruction and related support programs; contingency planning for foreseeable or anticipated problems; and a management approach and associated actions that are designed to ensure full compliance with U.S. obligations under the Chemical Weapons Convention, and that take full advantage of opportunities to accelerate destruction of the chemical stockpile. The plan shall be updated yearly, and submitted each year by the Secretary of Defense to the Committees on Armed Services of the Senate and the House of Representatives with the President's budget submission for the next fiscal year.

Secretary of Defense criteria for and guidance on identification and internal transmission of critical information (sec. 932)

The House bill contained a provision (sec. 908) that would require the Secretary of Defense to establish criteria for determining the types of critical information required to be made known expeditiously to senior decision makers in the Department of Defense. The Secretary should provide guidance for the purpose of identifying such information to the secretaries of the military departments, the commanders of deployed forces, and other elements of the Department. The provision would also establish minimum criteria for such information, and would require the Secretary to establish a policy for the expeditious transmission of any report or evaluation at any level of the Department that results in the identification of any such information to the Secretary and the Joint Chiefs of Staff. The guidance is to be issued by the Secretary not later than 90 days after enactment.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Legislative Provisions Not Adopted

Change in title of Secretary of the Navy to Secretary of the Navy and Marine Corps

The House bill contained a provision (sec. 901) that would change the title of the Secretary of the Navy to the Secretary of the Navy and Marine Corps.

The Senate amendment contained no similar provision.

The House recedes.

Transfer of Center for the Study of Chinese Military Affairs from the National Defense University to United States-China Economic and Security Review Commission

The House bill contained a provision (sec. 902) that would transfer the Center for the Study of Chinese Military Affairs at the National Defense University, established in the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65) to the United States-China Economic and Security Review Commission, established in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398).

The Senate amendment contained no similar provision.

The House recedes.

The conferees note their strong support for having a Center for the Study of Chinese Military Affairs at the National Defense University, and urge the Secretary of Defense to provide the Institute for National Strategic Studies at the National Defense University with sufficient resources to support a fully operational China Center.

Transfer to Secretary of the Army responsibility for Assembled Chemical Weapons Alternatives program.

The House bill contained a provision (sec. 903) that would transfer oversight of the Assembled Chemical Weapons Alternatives program from the Under Secretary of Defense for Acquisition, Technology and Logistics to the Secretary of the Army, and would require the Army to fully implement the alternative technologies previously selected for destruction of lethal chemical munitions at Pueblo Chemical Depot, Colorado, and Blue Grass Army Depot, Kentucky.

The Senate amendment contained no similar provision.

The House recedes.

Modification of obligated service requirements under National Security Education Program

The House bill contained a provision (sec. 904) that would amend section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) to modify service requirements, allow service to be conducted in additional agencies of government, establish time frames for commencement of service, and clarify minimum length of service.

The Senate Amendment contained no similar provision.

The House recedes.

Responses to congressional inquiries

The House bill contained a provision (sec. 907) that would require the Secretary of Defense and other Department of Defense

officials to respond to questions for the record from hearings of the Committees on Armed Services of the Senate and the House of Representatives within 21 days of receiving such questions.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that Department officials frequently take months to respond to questions for the record.

The two committees conduct hearings to inform Congress and the public on significant issues regarding the operations of the Department. These hearings often serve as the basis for legislative, budget, and policy positions of the two committees. Because officials of the Department are not always prepared to respond to the full range of questions at such hearings, questions for the record form an important part of the record of such hearings.

Lengthy delays in responding to questions for the record are contrary to the public interest because they delay the availability of critical information to Congress and the public. In many cases, responses are not made available until after the committees have made decisions on legislative, budget, and policy matters to which the information relates. This is not in the interest of either the Congress or the Department.

The conferees recognize that questions for the record for some hearings are extensive and that, in some instances, the compilation of answers and responses can and does require detailed research and discussion prior to their transmission to the Congress. For this reason, the conferees have determined that it would not be practical to establish a single, uniform deadline for all responses to questions for the record.

Overall, however, the Department must do a far better job of responding to questions for the record than it has in the recent past. Accordingly, the conferees direct the Secretary of Defense and other officials of the Department to respond to questions for the record within 21 days of receiving such questions, unless the Secretary or other official has informed the committee concerned in writing that he or she will be unable to meet the 21-day deadline and stated the date by which the questions will be answered.

The conferees note that the Members of the congressional defense committees frequently request information from the Department through letters, meetings, and other mechanisms. The conferees expect that officials of the Department will respond promptly to such inquiries as well.

Directors of Small Business Programs

The Senate amendment contained a provision (sec. 912) that would change the title of the Department of Defense's Office of Small and Disadvantaged Business Utilization to the Office of Small Business Programs.

The House bill contained no similar provision.
The Senate recedes.